

## Thatcher Makes Surprise Visit to Falkland Islands

Compiled by Our Staff From Dispatches

STANLEY, Falkland Islands — Prime Minister Margaret Thatcher of Britain, in a surprise visit, toured military positions in the Falkland Islands Sunday, almost seven months after they were recaptured from Argentina.

Several hundred islanders cheered Mrs. Thatcher after her arrival in Stanley on Saturday for a visit that has been condemned by the Argentines as provocative and arrogant.

Although news of her arrival was broadcast over the local radio station only minutes after her plane landed at 5 p.m., most of the town's 900 civilians and many soldiers from the British garrison lined the streets to cheer her and shout, "God bless you!"

Almost all of the approximately 1,600 residents of the South Atlantic colony are of British stock. It was the first visit by a British prime minister.

Argentine political leaders condemned Mrs. Thatcher's visit, one of them saying Sunday it had "clear electoral objectives."

Foreign Minister Juan Ramon Aquirre Lanari, on a brief visit to Caracas, called Mrs. Thatcher's visit "a new act of provocation and arrogance."

In Buenos Aires, Angel Robledo, a Peronist leader, said, "This is yet another expression of her bellicose spirit and her disdain for the international community, specifically

the United Nations and the UN secretary-general. It constitutes an act of provocation that in no way improves the rights that England is unjustly invoking over the islands."

Amadeo Frugoli, who was Argentina's defense minister during the Falklands war, called the trip "another act of provocation and aggression by a decadent colonial power" and said it had "clear electoral objectives," alluding to British elections expected later this year.

"The visit is a method by which Thatcher hopes to affirm what she considers is a political victory and so attempt to strengthen her internal political position, which is getting steadily weaker," he said.

Press reports in Argentina criticized the visit as a distasteful display of colonialism, particularly after the United Nations passed a resolution urging Britain to begin sovereignty negotiations.

In response to the criticism, Mrs. Thatcher said, "It would be very strange if I did not come to the Falkland Islands. Very strange indeed."

The announcement of the trip came from Mrs. Thatcher's office at No. 10 Downing Street in London. It gave no indication of how long she intended to stay but said she would spend the next few days touring the islands to meet military personnel and the residents.

Her trip had been kept secret until the plane landed at Stanley for



Prime Minister Margaret Thatcher with her husband, Denis, pointing at twin mountains west of the Government House in Stanley, and Sir Rex Hunt and Lady Hunt.

security reasons, officials said. Royal Air Force jet fighters had escorted her craft as it approached the Falklands.

Mrs. Thatcher was accompanied by her husband, Denis; Sir John Fieldhouse, the Royal Navy chief of staff, and other aides.

She was greeted at the Stanley airport by Sir Rex Hunt, civil commissioner of the Falkland Islands, which are 300 miles (480 kilometers) off Argentina's coast and 8,000 miles from Britain.

Mrs. Thatcher said that after Ar-

gentine forces took the Falklands last April, she had worried about the islanders every night until a British task force regained control 10 weeks later. She said she had come to the Falklands to pay tribute to the troops responsible for their recapture.

There are plans for her to visit the British war cemetery at San Carlos, where the British troops landed before the final land drive on Argentine forces. She also planned to meet with representatives of farming communities.

## Bush to Consult Allies On Nuclear Arms Cuts

By Juan Williams

WASHINGTON — President Ronald Reagan has announced that he is prepared to discuss "serious proposals" with the Soviet Union on reducing nuclear arsenals and that he will send Vice President George Bush to Western Europe Jan. 30 to meet with allied leaders and the pope.

Mr. Bush will be traveling to eight European nations about the time when the Reagan administration must decide on its negotiating position for nuclear arms talks with the Russians, scheduled to resume in Geneva early next month.

"A cornerstone of our approach to relations with the Soviet Union is close consultation with our allies on common political and security issues," Mr. Reagan said in his Saturday radio broadcast from Camp David, Maryland. "In this spirit, I've asked Vice President Bush to travel to Europe."

In his broadcast, Mr. Reagan added that improved relations with the Soviet Union "must result from moderation in Soviet conduct, not just our own good intentions."

Mr. Reagan said that Mr. Bush also will meet with U.S. arms negotiators in Switzerland. Sources said that Mr. Bush may carry with him changes in the U.S. bargaining position at the arms talks but that the administration has not decided what proposals it will put forward at the talks.

White House officials said that Mr. Bush's trip is intended to counter the widening anti-nuclear movement in Western Europe and the impact on public opinion there of a recent Soviet offer to hold a summit meeting. The vice president plans several speeches on arms control while in Europe, according to a spokesman.

Mr. Bush's trip would occur six weeks after Secretary of State George P. Shultz completed a similar trip through seven West European capitals.

Like Mr. Shultz, Mr. Bush is to travel to the five nations where the United States and its allies want to deploy new Pershing-2 and cruise missiles: West Germany, Britain, Italy, Belgium and the Netherlands. In addition, Mr. Bush is to visit Italy, France and Switzerland.

In his broadcast, Mr. Reagan referred to Soviet use of "negative" tactics of "trying to sow division

between the American people and our NATO partners." Mr. Reagan said such strategies could only delay progress in arms talks.

The vice president's visit to these close friends and allies, and his discussions at the Vatican and in Geneva, underscore our fundamental commitment to peace and security in Europe and to genuine arms reductions," the president said.

A spokesman for Mr. Bush said that the vice president is not scheduled to meet with Soviet officials in Geneva. But White House aides said that Mr. Bush will be in position to determine informally if the Russians have proposals substantial enough to merit a summit meeting.

Mr. Bush headed the U.S. delegation to Moscow for the funeral

of President Leonid I. Brezhnev in November and, with Mr. Shultz, met and talked with the new Soviet party leader, Yuri V. Andropov.

"As you know, a new leader has come to power in Moscow," Mr. Reagan said Saturday. "There has been much speculation about whether this change could mean a chance to reduce tensions and solve some of the problems between us. No one hopes more than I do that the future will bring improvement in our relationship with the Soviets and an era of genuine stability."

Later in the broadcast, however, Mr. Reagan noted that, when the United States made efforts to reduce its military buildup in the 1970s, the Soviet response was to



George Bush

(Continued on Page 2, Col. 8)

## Reagan Is Expected to Seek Big Rise in A-Arms Spending

By Richard Halloran

New York Times Service

WASHINGTON — President Ronald Reagan, who has brought spending for nuclear arms to a level nearly double that of four years ago, plans to ask for another big increase when he submits the new military budget to Congress later this month, according to senior administration officials.

The officials said that although the president had not made a decision on the exact figure, the Defense Department had proposed an appropriation of about \$30 billion for strategic nuclear forces in the fiscal year 1984, which begins Oct. 1, 1983.

For fiscal year 1983, about \$22 billion was allocated to strategic forces; strategic spending in 1979, under the Carter administration, was the equivalent of \$12.1 billion in today's dollars.

Strategic forces include long-range bombers, intercontinental missiles, missiles launched from submarines and continental air defenses.

Senior officials assert that the funds are necessary to continue the president's program of modernizing the nation's strategic deterrent,

a \$180-billion plan announced in October 1981.

Secretary of Defense Caspar W. Weinberger has said that the administration places the "highest priority on the long-overdue modernization of our strategic forces" to deter the Soviet Union or, if deterrence fails, to prevail over the Soviet Union.

The administration's 1984 proposal seems certain to be vigorously debated in Congress as a result of the continuing controversy over the MX missile.

Critics of the administration's military policy have asserted that too much money has been allotted to nuclear weapons, which they say are the least likely to be used.

The Defense Department's \$30-billion proposal for 1984 would amount to 12 percent of the military budget compared with 10.5 percent this year. Last year, strategic spending took about 8 percent.

Within the armed forces, army generals and navy admirals have grumbled that strategic nuclear forces have consumed more of the military budget than necessary at the expense of conventional weapons. The largest share of nuclear force spending goes to the air force.

Despite such opposition, senior officials said they planned to proceed with the nuclear modernization program from spending cuts as best they could.

Production funds for the B-1 long-range bomber, scheduled to go into operation in 1986, would be increased by 50 percent to more than \$6 billion. Funds to modify B-52 bombers to carry cruise missiles and to improve the planes' electronics would nearly double to \$1 billion.

The administration has been eager to develop a new missile to be launched from Trident submarines. Funds for that missile, called the Trident-2 missile or the D-5, were scheduled to quadruple to \$1.5 billion.

The administration requested funds this year to buy 42 F-15 fighters, whose primary mission is air defense, but Congress cut that to 39 planes. The administration plans to ask for 60 in 1984.

What the administration will request for the troubled MX program remains to be seen. Earlier plans called for tripling production funds to more than \$3 billion, but the funding proposal lost in Congress.

## Grenade Attack on Bus in Tel Aviv Wounds 12

The Associated Press

TEL AVIV — Police questioned more than 100 Arabs Sunday as they hunted for guerrillas who threw two grenades at a Tel Aviv bus Saturday evening, injuring 12 persons. Three of the victims remained hospitalized Sunday.

The bus, carrying 20 passengers, was stopped as it made its way from the central bus terminal to a suburb about an hour after public transport resumed at the end of the Sabbath, a police spokesman said. He said two Soviet-made fragmentation grenades were used.

Officials said the cabinet was briefed on the incident at its regular Sunday meeting. The government was said to have expected an increase in such actions by Palestinian guerrillas intending to disrupt the negotiations between Israel and Lebanon.

Top Israeli officials, meanwhile, predicted a possible breakthrough in the talks on the basis of a new U.S. proposal regarding the agenda for the sessions. The negotiations resume Monday.

The proposal by Morris Draper, head of the U.S. delegation to the talks, was believed to be a reworking of suggestions made earlier for overcoming Lebanon's refusal to put normalization of relations with Israel prominently on the agenda.

The Israeli cabinet neither rejected nor endorsed the proposal Sunday, deciding to await Lebanon's response, the officials said.

Israeli radio quoted Deputy Foreign Minister Yehuda Ben-Meir as saying that he had learned from U.S. diplomats that Lebanon had approved the proposal.

The Lebanese, who fear that normalizing ties with Israel would alienate them from the Arab world, have insisted that the primary topic of the discussions be the withdrawal of Israeli troops from Lebanon. They reject the term "normalization" for the country's relations.

Mr. Draper's proposal was understood to entail discussing both issues at once and dropping the word "normalization" from the agenda in favor of "mutual relations," followed by a list of the components of normalization, such as open borders and trade.

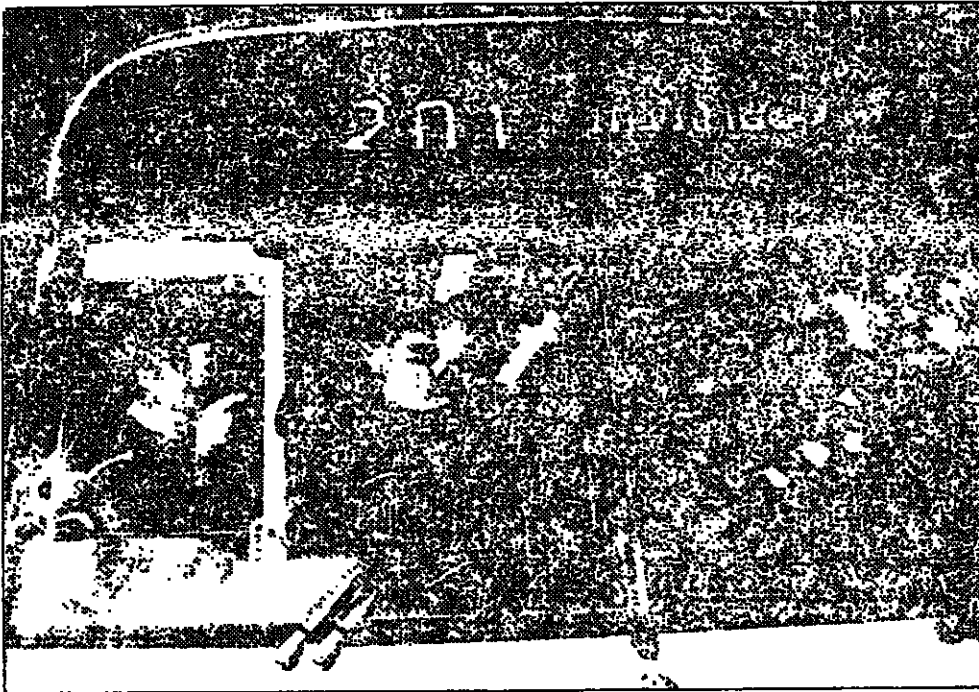
The Israeli government is facing growing public pressure to pull its army out of at least part of Lebanon as guerrilla attacks on its troops there increase. The latest such incident, an ambush Friday of an Israeli bus near Beirut, wounded 21 soldiers.

The grenade attack the next day in Tel Aviv was the first of its kind there: the usual guerrilla practice is to plant time bombs and escape before they go off, police said.

A police spokesman said 19 Arabs were detained Saturday night and 100 more were detained early Sunday in connection with the attack. About 100 were released later Sunday, he said.

Police said one of the grenades exploded outside the bus and the other inside, near the driver's seat. "We heard the bus skidding, then heard something that sounded like a shot," said Haim Namati, who lives nearby. "I went to the window and saw the bus drive by. Then I heard a huge explosion and smelled burning powder."

The driver was wounded by a bullet in one shoulder but managed to stop the bus safely. He said he had seen two men on a building across the street who he had thought at first were stones.



Police examine the shattered windshield of a bus struck by grenades in Tel Aviv.

## Lebanese Police Begin to Deploy As Fighting in Tripoli Declines

Reuters

BEIRUT — Lebanese police began a cautious deployment in the northern port of Tripoli Sunday as factional fighting that has racked the city for the past month appeared to have died down, state-run Beirut radio reported.

Although intermittent shelling and machine-gun fire was reported in Tripoli Sunday morning, the radio said a "calm atmosphere" was prevailing there Sunday evening.

Patrols of the Internal Security Forces, a paramilitary police unit, took up positions in several districts skirting the main trouble spots. Lebanese television reported Sunday night that they would deploy in the areas of tension within the next 24 hours after gunmen had handed over their positions to civilian leaders of their various parties.

Lebanon's police chief appeared to be making some progress Sunday toward arranging a cease-fire between warring pro-Syrian and anti-Syrian factions in the northern city of Tripoli, as one person died in sporadic fighting there.

The Beirut radio quoted the police commander, Hisham al-Shar, as saying in Tripoli that the rival armed groups had promised to pull their gunmen out of the battle zones Sunday evening. Lebanese police were then to enter the areas and take responsibility for security.

Previous cease-fire agreements have failed to stop the fighting, the latest and most fierce round in a long war between supporters and opponents of Syria in Tripoli.

Syrian troops have been stationed in the Tripoli area since the end of the Lebanese civil war in 1976. They withdrew from most of the city after a previous increase of violence a year ago.

The radio reported that one person had been killed in a brief clash Sunday morning. About 175 people have died in the Tripoli fighting that started again last month.

The deployment of Lebanese police in the battle-torn slums of

Tripoli is a compromise between the view of some anti-Syrian groups, which wanted the Lebanese regular army moved in, and other factions that proposed that the city, for the past month, be taken over by all the warring groups should patrol the area.

The police commander said in an interview published Sunday in Beirut that he did not believe that the Internal Security Forces are strong enough to impose a lasting peace on the city.

He told an English-language weekly, Monday Morning, that the police could apprehend a criminal or act as a buffer between forces, "but it is unreasonable to expect it to attack fighters and strip them of their weapons."

Lebanon's prime minister, Shafiq al-Wazzan, discussed the Tripoli crisis with President Haifa al-Assad of Syria in Damascus on Saturday, and the official Syrian news agency said the two men agreed that the police should try to restore peace in the city.

That suggested that either the Lebanese had not proposed or the Syrians had not accepted deployment of the Lebanese Army there, the source said.

**Hussein and Arafat Meet**  
King Hussein of Jordan and the Palestinian Liberation Organization chairman, Yasser Arafat, met Sunday in Amman to discuss Hussein's talks last month with President Ronald Reagan and the future of Palestinian-Jordanian relations.

The Associated Press reported from the Jordanian capital.

Hussein discussed his meeting with Mr. Reagan with his cabinet earlier in the day. He has also scheduled a meeting for Monday with Jordanian and Palestinian leaders to review the Middle East situation "in its entirety," the state radio reported.

"Arafat is anxious to obtain from Hussein his impressions about Reagan's willingness to exert pressure on Israel for implementation of the U.S. peace proposals," a

PLO official said. "Arafat still sees some positive elements in the Reagan plan but, frankly speaking, doubts the American leader's ability to convince Israel to accept peace with the Palestinians and the rest of the Arabs."

Mr. Reagan put forward his Middle East peace blueprint last September, calling for self-rule for the Palestinians in the West Bank and Gaza in association with Jordan, in return for an Arab-wide recognition of Israel's right to exist.

But the Palestinians withheld endorsement of the Reagan plan because it failed to provide for an independent state under the PLO.

## Growing Strain Between Reagan and Aides

They Are Said to Become Less Candid as Advice Is Rejected

By Jack Nelson

New York Times Service

WASHINGTON — A growing strain between President Ronald Reagan, who is determined to "stay the course" on his basic policies, and senior White House advisers, who consider mid-course corrections vital, has become so acute that it is profoundly changing the way the Reagan White House operates.

The president's top advisers, frustrated by his consistent rejection of their appeals for change, no longer present him with their considered judgments about what the administration should do on major policy issues unless those recommendations are in accord with positions the president already holds, especially where the economy and other domestic issues are concerned.

Instead of making policy recommendations about what they believe is best for the country and the president himself, as they did for most of Mr. Reagan's first two years in office, senior White House officials said in a series of inter-

views that they now refrained from pressing their own views.

As a result, Mr. Reagan enters the second half of his term surrounded by aides who temper their advice to fit his long-held views instead of being candid and who administer presidential policies in which many no longer fully believe.

Senior White House staff members have agreed simply to pass along to Mr. Reagan a range of recommendations and proposals that leave it to outsiders, chiefly Republican congressional leaders, to raise questions or challenge the president's course of action, according to five top aides.

"We lay out the options and let him choose," one said. "I'm philosophical about it," a senior White House aide said after months of unsuccessful effort to convince the president that policy modifications were needed. "The people elected him, not us. So we're not going to him with a unanimous recommendation that goes against his grain."

"We're tempering our voices, and congressional voices are being raised," the official said, agreeing to discuss the strain between Mr. Reagan and his senior staff members only on the condition that his name not be used.

The changing relationship between Mr. Reagan and senior White House officials has increased the isolation of the president and shifted much of the initiative on policy-making to Congress and other power centers.

The weakening of the once-smooth working relationship between Mr. Reagan and his staff occurs at a time when the administration is beset by mounting problems at home and abroad, when congressional Democrats are stronger and more determined to put their own stamp on national policy and amid signs of serious erosion in the solid support Mr. Reagan has had among congressional Republicans.

Some senior aides concede that Mr. Reagan's position has become more hazardous.

"It's obviously true that there has been a weakening of the

Reagan presidency," a top White House official said, although he suggested that a substantial part of Mr. Reagan's effectiveness thus far has come from a carefully crafted illusion.

"We were never quite as strong as we were able to give the impression of being," the officials said. "We pretended we had a mandate that was very much larger than it was. A tremendous number of people voted against Jimmy Carter, not for Reaganism. Yet we went about the country impressing them that Reagan was carrying out a mandate."

"Now we're saying the mandate has faded, but we never had it to that degree in the first place," the official said.

Nor do White House officials underestimate the magnitude of the problems confronting the administration. David R. Gergen, Mr. Reagan's assistant director of communications, said 1983 promised to be the president's "toughest year."

"It could be the year of his great-

### INSIDE

■ Mike Mansfield, U.S. ambassador to Japan, says that while Japan has made "very significant" efforts to raise military spending, the United States will continue to press for further increases. Page 2.

■ President Reagan's advisers reportedly plan to ask him to approve tax increases to reduce deficits in later years when the economy presumably would be recovering. Page 3.

■ Dr. Barney Clark continues to make progress, five weeks after receiving a permanent artificial heart. But there are some disturbing aspects to his slow, perplexing recovery. Page 4.

■ Local governments and non-profit organizations are dropping out of the U.S. Social Security System at an accelerating rate, aggravating its financial problems. Page 3.

■ Western central bankers are beginning to have second thoughts about the role they have assumed as worldwide lenders of last resort. Page 7.

## A New Tourist Bargain: Beirut Italian-Style

By Don A. Schanche

Los Angeles Times Service

ROME — "They know it isn't Nice or Monte Carlo," shrugged the enterprising travel agent as he prepared to send his first group of 20 Italians to war-ravaged Beirut.

"Of course it isn't completely safe, but neither is Italy. On balance, they will probably be safer in Beirut," said Dimitri Vaporiadis, who has begun to arrange the first bargain international package tours to the Lebanese capital.

Mr. Vaporiadis's travel package, which includes optional side trips to ski on Mount Lebanon and to sample the antiquities and the more recent ruins of Tyre and Sidon as well as the rubble of Beirut, is aimed at a special audience — the mothers, fathers, girlfriends, brothers, sisters and chums of Italian tourists in the international peacekeeping force there.

"Beirut Afterward," reads the advertisement of Mr. Vaporiadis's Hellenic Express travel agency now running in Italian newspapers and magazines.

It offers a deal that the agency hopes the more than 4,000 Italians with sons in the

Lebanon peacekeeping contingent cannot resist. For about \$475, each tourist gets a Rome-Beirut round trip on Lebanon's Middle East Airlines, five days and four nights in a first-class hotel on once-elegant but now shabby Hamra Street, two free meals a day, an opportunity at small extra fees to take side trips and a five-day pass for the soldier to visit.

Unlike the strictly disciplined and confined U.S. Marines in Beirut, Italy's 1,600 peacekeepers run on a somewhat loose military leash, with freedom to roam the city in their free time and the bonus of a one-week rest and recuperation visit to Italy every three months. In addition, their special volunteer pay of \$80 a day makes them relatively affluent among the lower-paid marines, and French Legionnaires of the multinational force.

Since they have that freedom and money, Mr. Vaporiadis expects more than a few to pay the extra \$75 for at least one of the side trips if their family visitors are so inclined, including a ski trip that covers transportation, a full day's lift tickets and rental equipment at Faraya, northeast of Beirut.

But most important, the Greek-born travel agent said, is the chance the tour package gives to friends and parents to "see in what

conditions the boys are living. They hear on the radio and television that their boys are all right but they want to be able to see with their own eyes."

Also, he said, "A country like Lebanon needs more than just military help — it needs tourism, people who will go to Lebanon and spend money."

While the response to date has not created a new Lebanon tourism boom, Mr. Vaporiadis said it has been encouraging, with more than enough reservations to complete the first group of 20 tourists who were to leave from Rome on Sunday.

"We are limiting the number to 20 in each group going to visit 10 soldiers who will be given leave by their commanders," he said. He said that the military commanders, while eager to support the visits, felt that it would be disruptive to receive more visitors or give leaves to more than 10 soldiers at a time. Another group will leave Tuesday, he said, followed by regular twice-weekly tours until interest in the package runs down.

Asked if his tourists have expressed fear of visiting the city, Mr. Vaporiadis said, "None at all, and I have been completely candid with them about where they are going. I went there with my wife to make the arrangements and it couldn't have been calmer."



## Japanese Will Be Pressed Further On Defense Funds, Mansfield Says

By Henry Scott Stokes  
New York Times Service

TOKYO — Mike Mansfield, the U.S. ambassador, says that while Japan has made "very significant" efforts to raise military spending, the United States will continue to press for further increases.

In an interview Friday, Mr. Mansfield said Prime Minister

Yasuhiro Nakasone, who took office in November, was "entitled to a lot of appreciation" for the government's recent decision on a military budget of more than \$12 billion for the year beginning April 1, an increase of 6.5 percent.

The former senator from Montana, who has served here since 1977, said the Japanese first proposed a 1983 increase in military

spending of 5 to 5.1 percent, then 6 percent and finally, under U.S. pressure to go higher, settled on the 6.5-percent increase announced Dec. 30.

In that final decision, Mr. Mansfield said, Mr. Nakasone was "the main spring."

The ambassador said he had calculated that Japan might end up with an 8.9-percent increase if proposed pay raises for the 230,000-member armed forces are approved late in the year.

Mr. Mansfield said he believed that Secretary of State George P. Shultz would say, during a visit late this month, that Japan should do more for its own defense within the U.S.-Japanese security treaty of 1960.

Under the treaty, the United States undertakes to defend Japan, if attacked, and in return has the right to maintain military bases. About 46,000 U.S. soldiers are stationed in Japan.

The ambassador added that he expected Mr. Shultz to urge Japan, as "a sovereign nation," to decide of its own volition to defend itself, though without becoming a military power that strikes fear into its Asian neighbors.

"What we would like Japan to do is to give consideration only to one fact — its responsibility for its own defense," Mr. Mansfield said. "We don't want Japan to become a regional power," he went on.

"Japan will not re-militarize," he said, noting that "the Chinese, the Koreans and some of the Southeast Asian nations" had expressed fears that it would do so.

Mr. Mansfield said he expected Mr. Shultz would point out that the United States has a great burden in protecting oil sources in the Middle East that are crucial to Japan.

He said that while the treaty states "that we'll come to the defense of Japan if attacked, and we will, we also ought to keep in mind that Japan gives us rent-free a number of bases, spends more than a billion dollars for the upkeep of U.S. forces, cost-sharing, housing and the like."

He added, "And they're going to increase that by 20 percent in this new 6.5-percent budget."

## Reporters' Aides Lose Credentials From Warsaw

The Associated Press  
LONDON — The Polish government has failed to renew the credentials of at least 10 Poles working as translators or technical assistants for Western journalists, according to the British Broadcasting Corporation's recently expelled Warsaw correspondent.

The correspondent, Kevin Ruane, said Saturday at a news conference here that many of these Poles had worked through the rise and fall of Solidarity and in the process "built up tremendous contacts."

"I think the process now taking place is a tidying up," he said. "Although the authorities... maintain they're dedicated to honest and objective reporting [by foreign journalists], they might find grounds for taking away the essential members of staff who have the memories and who have the contacts."

"In the same way, they've tried to solidify, first by abolishing it, second by imprisoning certain so-called extremists and third by releasing others while taking special powers to make sure they don't step out of line. So that side of the assault on political problems is tied up."

Mr. Ruane said he was expelled because of the BBC's Polish-language broadcasts, which the regime considered "propaganda." Poland suspended Solidarity, the first independent union in the Soviet bloc, when it imposed martial law on Dec. 13, 1981. It outlawed the union Oct. 8. Martial law was suspended last month, but many strict controls remain.

Mr. Hussein and Mr. Bitton said their lunch Friday was the first meal shared by an Israeli and PLO official. Mr. Bitton met with Yasser Arafat, the PLO chairman, in Bulgaria in September 1980.

## China Experts Prepare Shultz for Beijing Trip

By Bernard Gwertzman  
New York Times Service

WASHINGTON — Secretary of State George P. Shultz has met with a group of China experts to prepare himself for his first visit to Beijing early next month.

Since taking office, Mr. Shultz has said little publicly about China, but in an interview he noted, "China is important, and potentially, as it develops itself, extraordinarily important."

"In any sort of comprehensive effort to think about our own strategy and how it may unfold, you are missing something if thinking about China isn't part of that," he said.

Saturday's meeting on China was the latest in the so-called Shultz seminars at which outside experts meet with Mr. Shultz and senior officials from the State Department and other government agencies. The first dealt with the Middle East and others with the Soviet Union and Latin America.

The China session was organized at Mr. Shultz's request by Winston Lord, a former State Department official who is now president of the

Council on Foreign Relations. Mr. Lord served as the China expert for Secretary of State Henry A. Kissinger and accompanied him on his trips to China that paved the way to establishment of quasi-official relations in 1972.

Mr. Kissinger, who led the discussion at Mr. Shultz's Middle East seminar last July, also attended Saturday's session. Mr. Shultz has said he holds no one in higher esteem than Mr. Kissinger, who was also President Ronald Reagan's guest at lunch at the White House on Friday.

Mr. Shultz leaves Washington at the end of the month for Japan. From there he will travel to Beijing for four days of talks with senior officials. He will then go to South Korea.

Administration officials said that Mr. Shultz's priorities are to provide new momentum to relations with China, which have been under strain for most of the Reagan administration over the Taiwan issue. In a communiqué issued by the two sides last summer, the United States pledged to reduce arms sales to Taiwan over time and China repeated its policy to unite with Taiwan by peaceful means.

But since then, the Chinese have become involved in negotiations with the Soviet Union on normalizing relations and have expressed concern that their ties with the United States have not brought them the economic benefits they had anticipated.

In the interview Mr. Shultz said, "You can't help but see big emerging developments in Asia, with Japan on the leading edge, but by no means alone."

"This is of great importance to us," Mr. Shultz said. "That leads you to whatever our long-term relationship to China turns out to be. That needs to be concentrated on."

## Germans May Visit War Graves in Russia

Reuters

PADERBORN, West Germany — The Soviet Union has agreed to allow some relatives to visit the graves of German soldiers who died in Soviet prison camps during World War II, according to the head of a war graves commission.

Paderborn town officials said Adolf Barth, the head of the commission, said Saturday that 15 relatives would be permitted to visit three Soviet camps this summer, the first such visits to be permitted by the Soviet authorities.

## Israeli, PLO Official Lunch Together at UN

By Bernard D. Nossiter  
New York Times Service

UNITED NATIONS, New York — A leftist Israeli legislator attended a luncheon Friday with a representative of the Palestine Liberation Organization and urged the creation of a Palestinian state in the West Bank.

The Israeli, Charlie Bitton, the lone member of parliament of the Black Panther Party, endorsed virtually every plank in the PLO program.

In conversation and toasts, Mr. Bitton urged the United States to encourage Israel to bargain directly with the PLO and called on Israel to return to its old borders, slash military spending and hand over to the Palestinians lands taken after the 1967 war.

"I am ashamed of my government and its political platform," Mr. Bitton said.

Mr. Bitton, 32, is from Morocco and sees himself as the champion of "a cheated community," the Sephardic Jews who came to Israel from Arab countries.

His luncheon host, Hatem Hussein, the PLO's deputy observer at the United Nations, embraced Mr.

Bitton and called him "a brother" in a common struggle, but he carefully avoided any suggestion that the PLO would be willing to live side by side with a state of Israel.

Mr. Bitton, who was elected to the Israeli parliament on a common ticket with its three Communist members, said he was convinced that the lot of Sephardic Jews in Israel would not improve until military spending was cut.

Arab Jews, he said, need "better education, better housing, work." He said this could not happen "without a drastic reduction of the defense effort."

Israel, Mr. Bitton said, is now "a branch office of Europe," an allusion to the fact that most key posts are held by Jews of European descent, who make up less than 40 percent of the population. Mr. Bitton acknowledged that Prime Minister Menachem Begin won a majority of the Sephardic vote and that his own party was not taken seriously at the polls.

Mr. Hussein and Mr. Bitton said their lunch Friday was the first meal shared by an Israeli and PLO official. Mr. Bitton met with Yasser Arafat, the PLO chairman, in Bulgaria in September 1980.



ON THE ROCKS — Shinto enthusiasts braved the elements Sunday to dally in a chilly bath at a Tokyo shrine. Two blocks of ice were added to make the bath water even colder. The annual dunking is performed to promote a Shinto belief in health.

## Reagan Approves Bill to Establish First U.S. Nuclear Waste Dumps

By Eleanor Randolph  
Los Angeles Times Service

WASHINGTON — President Ronald Reagan has signed a bill that establishes for the first time a system for disposing of the lethal nuclear waste that has been building up in the United States since the end of World War II.

The measure is designed to provide the first permanent nuclear waste dump by the mid-1990s. It gives "the long overdue assurance that we now have a safe and effective solution to the nuclear waste problem," Mr. Reagan said Friday in a signing ceremony at the White House.

"It enhances the prospects of ample supplies of electricity at affordable prices for all Americans," he said. He added that it was "an important step in the pursuit of the peaceful uses of atomic energy."

Mr. Reagan's signing of the bill marked the end of a 25-year legislative battle about how to provide a permanent disposal site for deadly

nuclear waste, while giving states and communities some way of resisting the placement of such a facility.

After a prolonged and sometimes emotional debate last year, Congress agreed to allow states to veto a facility, once a site is chosen, through an elaborate process. However, a state's veto can be overturned by votes of both houses of Congress.

"We tried to structure a process that says to the states, 'One of you is going to have to take this, but you have an opportunity to get in on the ground floor,'" said Representative Morris K. Udall, the Arizona Democrat who is chairman of the House Interior Committee and one of the chief writers of the law.

"But it also gives the tools to pick a state, even though they are not going to be very happy with this."

The law requires the president to name the first site by March 1987. Among the states being considered as potential sites for the first facility are Louisiana, Mississippi, Nevada, Texas, Utah and Washington. For a second facility, the Department of Energy is reviewing geological data on underground

formations around the Great Lakes, along the Atlantic seaboard and in New England, in order to recommend five more sites by 1989.

A potentially troublesome aspect of the new law is a provision for placing nuclear wastes in temporary underground sites until the first permanent facility is created. During the long debate, several congressmen said they feared that once a temporary site is found, it could too easily become permanent.

The interim sites are considered a big bonus for the nuclear utility industry, which has been pushing for some method to expand their holding pools. Those pools are rapidly being filled with highly radioactive spent fuel rods.

Environmentalists, who opposed the bill, have said that it gives the government too much leeway in licensing radioactive sites, but limits the extent of environmental studies and judicial review that normally slow such procedures.

However, Mr. Udall, who is considered strongly pro-environment as chairman of the House Interior Committee, said that the law is "not the last word on this matter. It's a start, a good start."

## 2,000 in France Protest N-Waste

United Press International

CHERBOURG, France — More than 2,000 anti-nuclear militants demonstrated Saturday in Paris and in the Normandy port of Cherbourg to protest the seizure of a ship owned by the Greenpeace environmental group and to protest the impending arrival from Japan of a ship carrying nuclear waste.

In Cherbourg, about 2,000 people, including protesters from Britain, Denmark, Sweden and West Germany, waved signs demanding that naval authorities release the Greenpeace ship, the *Sirius*. The ship was impounded Thursday because it took up a position to bar a Japanese freighter bringing spent nuclear fuel for reprocessing.

In Paris, about 30 demonstrators dumped several garbage bags in front of the Japanese Embassy to protest the arrival of the nuclear waste. They carried a banner saying "Nuclear Garbage Can, No Thanks." No arrests or violence were reported in the two protests.

## Moi Threatens a New Crackdown On Political Opponents in Kenya

United Press International

NAIROBI — President Daniel Arap Moi of Kenya has warned of renewed crackdowns on government opponents and declared 1983 "a year of action" against political rebels, the official Kenyan news agency reported.

"Those who toe the line should have nothing to fear, but I promise swift corrective measures against those who do not toe the line," Mr. Moi was reported as saying Saturday.

The president made his remarks to a group of parliamentarians and cabinet ministers who made a courtesy call at his country residence near Nakuru, 120 miles (192 kilometers) northwest of Nairobi. Along with his comments on dissent, he

## Iran Exile, Iraqi Aide Urge End to Gulf War

By John Vinocur  
New York Times Service

PARIS — The deputy prime minister of Iraq and the exiled leader of an Iranian leftist-Islamic opposition group met for four hours on Sunday and said afterward that the war between their countries should be brought to an end.

The conversations between Deputy Prime Minister Tariq Aziz of Iraq and Massoud Rajavi, leader of the Mujahidin Khalq, an organization that includes a guerrilla wing active in Iran, were described as the first of their kind by Mr. Rajavi. He said the exchange of views was "an important political turning point on the regional level and for the world in relation to the Iran-Iraq war."

Mr. Rajavi asserted that since June 1982, when Iraq announced that its troops had left Iranian territory it had invaded earlier, the Iranian spiritual leader, Ayatollah Ruhollah Khomeini, "is the only person calling for the continuation of the war." The fighting, he said, has only served to prolong the ayatollah's power.

A joint statement stressed that Iraq was giving no material or military aid to the Mujahidin Khalq and that Iraqi support was limited to "common political understanding."

In an interview last week Mr. Aziz said that Iraq had close links with the Mujahidin but would not go into details for fear of embarrassing them. Sunday, the communiqué indirectly referred to the remark as a "misunderstanding created by press reports."

The meeting was at Mr. Rajavi's house at Aulvers-sur-Oise, north of Paris. Mr. Aziz has been in Paris for the past week, during which he received assurances from French officials of continuing large-scale arms supplies in exchange for increased shipments to France of Iraqi oil.

According to the communiqué, Mr. Aziz stressed what was described as Iraq's "sincere desire to conclude peace on the basis of full independence and territorial integrity." Iraq's claims on Iranian land were used as justification for the initial Iraqi attacks starting the conflict more than two years ago.

Mr. Rajavi, the communiqué went on, maintained that the fighting could be resolved by "direct negotiations between the two sides within the framework of the sovereignty and the territorial integrity of the two countries."

Mr. Aziz invited Mr. Rajavi to visit Iraq personally and to send a special emissary to Iraq to check on the status of Iranian war prisoners.

Mr. Rajavi fled Iran in 1981 with the former Iranian president, Abolhasan Bani-Sadr, and both men subsequently took up residence in France, founding a group called the National Resistance Council.

## WORLD BRIEFS

### Mubarak Warns Arabs on Israel

CAIRO (AP) — President Hosni Mubarak warned Sunday that Arab states have six months to a year to reach a settlement with Israel based on President Ronald Reagan's peace formula, which calls for a freeze on Jewish settlements and home-rule for Palestinians in association with Jordan.

In an interview, Mr. Mubarak urged King Hussein of Jordan and Yasser Arafat, the Palestine Liberation Organization leader, to "negotiate and come to conclusions" before the U.S. presidential campaign gets under way.

In an unusual verbal attack on another Arab state, Mr. Mubarak charged that Syria was interested in forestalling any settlement. He accused President Hafez al-Assad of Syria of trying to sabotage peace efforts to enhance his standing as a defender of the Palestinian cause. Mr. Mubarak also indicated that Egypt was interested in improving ties with the Soviet Union.

### 5 Die as Zimbabweans Greet Zhao

HARARE, Zimbabwe (AP) — Five persons were crushed or trampled to death when a crowd of 5,000 rushed through an airport gate Sunday to welcome Prime Minister Zhao Ziyang of China for an official three-day visit.

Hospital authorities said 64 persons were slightly injured when the crowd surged through an airport gate. "People were stamping on each other and pushing to get through the gate and I could see people being squashed on the ground," the Zimbabwe Inter-African News Agency quoted a witness as saying. Scores of people fainted in the crush, which began when police opened the gate to the airport apron about an hour before Mr. Zhao arrived.

### Corsican Nationalists Get Warning

PARIS (UPI) — A new organization has warned of reprisals against Corsican nationalists in the Paris area if Corsican militants continue attacks on French inhabitants of the French-ruled Mediterranean island.

The group, which calls itself France-Ressurrection, signaled Saturday a possible increase in violence involving the Corsican nationalists' bid for independence for the island. It published a "hit list" of four alleged members of the Corsican National Liberation Front guerrilla movement and their addresses in the Paris area. "They will be the first to pay if the continentals living in Corsica are attacked again," France-Ressurrection said.

Following a record 805 terrorist acts by the front in 1982, the French government on Jan. 5 outlawed it and ordered a police crackdown on Corsican terrorists.

### Esmat Sadat Pleads Not Guilty

CAIRO (Reuters) — Esmat Sadat, the brother of the late President Anwar Sadat, invited authorities Sunday to find and confiscate millions of Egyptian pounds that he has been accused of amassing through corruption and fraud, and declared he has nothing like the fortune the state says he possesses.

Speaking from the prisoners' enclosure at his trial, Mr. Sadat 58, pleaded not guilty to the charges against him. An indictment said he and his family had accumulated up to 124 million pounds (\$148 million) through fraud, black market dealing, selling contaminated food and peddling influence during the rule of his brother.

### For the Record

OSSING, New York (UPI) — Inmates overpowered 16 prison guards Saturday and were holding them hostage Sunday in a cell block at the Ossining Correctional Facility, formerly known as Sing Sing, a prison spokesman said.

PARAMARIBO, Surinam (AP) — Surinam ended a military occupation agreement with the Netherlands Friday, a month after The Hague cut off foreign aid to protest allegations that dissidents were being executed. Colonel Daisi Bouterse, the country's military leader, did not give specific reasons for the decision but accused a former Dutch military attaché, Colonel Van Maarseveen, of making public Surinam Army secrets.

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New York Times Service

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## Reagan Aides Are Said to Become Less Candid as Advice Is Rejected

(Continued from Page 1)

est accomplishments or it could be his worst year," Mr. Gergen said, "with a great deal depending on the length and strength of the economic recovery and our success in lowering prospective deficits."

Unfortunately for the administration, the issue of deficits and how to deal with them in the face of other economic problems is the one on which relations between Mr. Reagan and his closest advisers have broken down most seriously.

Although such issues as arms control, the Middle East, social security, strategic weapons policy and foreign trade present serious challenges to the administration, it is the possibility of budget deficits climbing past the \$200-billion mark for at least the next several years that contains the seeds of

economic calamity and thus of disaster for Mr. Reagan, top aides agree.

Even a senior staff official who said he was convinced that "we're not on the verge of another failed presidency" and that the economy would pick up this year, said he feared an economic disaster in 1984 if the deficit was not brought under control.

Senior Reagan aides also say that to curb the deficits the administration must modify its course and consider new tax increases or cuts in projected military spending or both.

Of 13 senior staff members, only William P. Clark, the national security adviser, has been solidly behind the military buildup, for example, and an aide who participated in the budget discussions said even Mr. Clark "is not unequivocal in his stand on defense."

"The inescapable math is that, if we're going to do anything about getting the deficits down, there has to be movement on taxes or defense or both," a top White House aide said.

Yet senior aides say they have concluded that it is not prudent to carry their views on things like higher taxes or defense cuts directly to Mr. Reagan.

The move to change the style of White House operations was led by the chief of staff, James A. Baker 3d, who had been repeatedly rebuffed when he tried personally to persuade Mr. Reagan to change his mind on defense and taxes, as well as when he tried using groups of businessmen or other Reagan supporters to buttress his arguments.

Mr. Baker and his deputy, Michael K. Deaver, told other staff members that henceforth they would serve only as "honest brokers" and not plead with the president on behalf of any specific course of action, according to a high aide.

"The president made it clear he thought it was inappropriate to have pressure put on him and the

staff decided it would be counterproductive if we crowded him on anything else," the aide said.

Mr. Reagan has also rejected arguments based on public opinion polls. Shortly before he went on television six weeks ago to seek support for his program, an aide showed the president the results of a poll that indicated serious erosion of public support for his economic strategy. Mr. Reagan's only response, the aide said recently, was to say, "We've got to make a stronger case to the public."

Although the aides have stopped presenting their own arguments for increasing taxes or cutting military spending, they have not given up hope that Republican leaders in Congress will be able to convince Mr. Reagan that he must do either one or both to avoid compounding the nation's economic problems.

They point out that it was Republican leaders who last year persuaded Mr. Reagan to support the \$98.6-billion tax bill that the chairman of the Senate Finance Committee, Robert J. Dole, Republican of Kansas, steered through Congress.

It was also Republican leaders in Capitol Hill who convinced the president that he should abandon a plan to move up the effective date of this year's 10-percent tax cut from July 1 to Jan. 1 because the idea stood no chance of approval from a Congress fearful of what would happen to the budget deficit.

At least some congressional Re-

publican leaders are more than willing to play the more active role assigned to them in the new White House scheme of things.

Senator Dole, for one, said there have been hints by Mr. Reagan's aides that it would be helpful if Republican leaders in the House and Senate carried the burden of delivering bad news to the Oval Office.

And Senator Dole, whose increasing independence has raised suspicions that he may be positioning himself for a run at the Republican presidential nomination if Mr. Reagan should retire, indicated he was willing to cooperate with White House aides.

Michael Johnson, press secretary to Robert H. Michel, an Illinois Republican and the House minority leader, said Representative Michel had never been reluctant about delivering bad news to the president.

However, according to Mr. Johnson: "The problem until recently was that the White House meetings were very structured. An agenda was set. There'd be a lecture from the staff. Reagan had made up his mind and there was no free-for-all discussion."

"But the last two or three leadership meetings have been a complete reversal. It was not the president talking to the leaders but the leaders talking to the president and to themselves," Mr. Johnson said.

From the congressional perspective, of course, this increased give-and-take is all to the good. But for

Mr. Reagan it represents a measure of lost control and initiative.

With Democrats having gained 26 House seats in the Nov. 2 election and increasing their margin over the Republicans to 267-166, Mr. Reagan is expected to have a much more difficult time getting his way with Congress under the best of circumstances.

The strains within the White House hierarchy will make the task even harder.

## China Reportedly Foiled Hijacking

The Associated Press

HONG KONG — An attempt to hijack a Chinese plane to Taiwan was foiled Jan. 12 and one person was killed in an apparent struggle, a pro-Nationalist Hong Kong newspaper reported Sunday. Communist Chinese sources said they had no information to support the newspaper's report.

The Hong Kong Times, quoting unidentified sources, said that it was not known how many hijackers were involved nor was it clear whether the person killed was a hijacker, passenger or a member of the plane's crew.

The newspaper said the aircraft was on a flight from the city of Hangzhou to Shanghai, 100 miles (160 kilometers) to the north, when the attempted hijacking occurred and the struggle ensued.

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# Salvadoran Defense Chief Rebuffs Rebel Colonel

**United Press International** — Defense Minister José Guillermo García rejected Sunday demands by a rebel colonel that he resign. General García said he still had the solid support of the president and the armed forces.

A meeting between Lieutenant Colonel Sigifredo Ochoa Pérez, his staff and a group of five colonels who flew by helicopter to Colonel Ochoa's command post at Sensuntepeque, 48 miles (77 kilometers) northeast of San Salvador, continued for more than four hours with no word on the outcome.

Colonel Ochoa, the commander in the northern Cabañas province, began his rebellion Thursday with a call for General García's resignation, saying his conduct of the war against leftist guerrillas was ineffective.

He acted after General García tried to appoint him military at-

taché to Uruguay, a minor position. In an interview, General García said: "I am not going to resign. I have the support of the president and the armed forces. I continue in the same position."

A National Guard officer said leftist rebels took advantage of the army rebellion by attacking "every garrison in town" in the provincial capital of Chalatenango, 43 miles northeast of San Salvador.

A force of several hundred guerrillas were said to have attacked Tegucigalpa, a town of 12,000 people 14 miles north of Chalatenango. The town may have been overrun.

Acting Archbishop Arturo Rivera y Damas sharply criticized the expected certification by President Reagan of El Salvador's progress in improving human rights, saying that "mutilated corpses and disappearances" were still a prob-

lem in the Central American nation.

The Salvadoran Human Rights Commission on Sunday listed 5,840 dead and 788 disappeared in 1982. The figures showed 320 dead in December.

**Guarantee Not to Attack**

Earlier, Edward Cody of The Washington Post reported from Sensuntepeque:

Colonel Ochoa said Saturday that fellow army officers had guaranteed him that they would not attack and had offered "moral support" for his mutiny.

At a rally in the town square, Colonel Ochoa told 500 residents that, because of the army's pledges, he was prepared to hold out indefinitely in his demand that General García resign and rescind the order for Colonel Ochoa to go to Uruguay.

But none of the 20,000-man army's other officers joined Colo-



Lieutenant Colonel Sigifredo Ochoa Pérez with residents at a rally in Sensuntepeque.

## Aides Said to Want Reagan to Seek Tax Rise

By David Hoffman

Washington Post Service

WASHINGTON — President Ronald Reagan's chief economic advisers, going into the final days of decision making on the fiscal 1984 budget, plan to ask him Monday to approve tax increases to reduce deficits in later years when the economy presumably would be recovering, administration officials say.

The new tax plan is being described as one that would not conflict with the president's statement at his news conference Wednesday that "a tax is the wrong thing to do when you're trying to come out of a recession."

The proposal, described by an administration official as an "overall strategy" on taxes, is said to have the backing of key administration economic advisers, who have also urged Mr. Reagan to scale back his military buildup to hold down future deficits.

The advisers include David A. Stockman, director of the Office of Management and Budget, Secretary of the Treasury Donald T. Regan and Martin Feldstein, chairman of the president's Council of Economic Advisors.

Meanwhile, administration officials said Saturday they doubted

whether Secretary of Defense Caspar W. Weinberger would propose significant budget cuts this week in the proposed Reagan military buildup.

Last week, under pressure from senior administration officials, Mr. Weinberger said that he would search for possible cuts to help bring deficits under control. But an administration official said Saturday that Mr. Weinberger may be able to "stall" beyond the deadline later this week for submission of the fiscal 1984 budget to the president.

Significant budget savings by the Pentagon were described by administration officials as a necessary part of any "freeze" on government spending now being discussed at the White House as a way to reduce deficits.

The idea of a freeze was raised with Mr. Reagan last week by congressional Republicans.

The president "was attracted to the idea," said an administration official, because it could be a simple yet bold stroke that Republican leaders had suggested would help him recapture the offensive in economic policy.

But the freeze concept, as envisioned within the administration, would have to apply to both mil-

itary and domestic spending to have an impact in bringing down large budget deficits, the officials added.

One official noted that the \$33 billion in cuts that Mr. Reagan currently plans to seek in projected domestic spending for fiscal 1984 are already "close to a freeze" level.

But even with those cuts, the budget deficit for 1984 is projected to surpass \$200 billion.

Administration officials said that Mr. Reagan's interest in the freeze idea stems partly from the prospect that it could appeal to both Democrats and Republicans.

Both administration officials cautioned that Mr. Reagan has yet to be fully convinced, partly because he must wait for Mr. Weinberger to report on what savings can be found in the Pentagon budget.

Military spending is projected to be \$247 billion next year.

Officials said some inflation adjustments that Mr. Weinberger is expected to accept would trim that figure slightly. But they added that the adjustments would not provide the kind of long-term savings Republican congressional leaders urged in meetings with Mr. Reagan last week.

Administration officials specu-

lated that without significant military spending cuts or tax increases, the president's budget would this year again be quickly rejected on Capitol Hill because of the huge deficit.

Although the rejection last year led to the negotiating process that eventually produced a compromise, some officials do not want the situation repeated this year as the 1984 presidential campaign picks up steam.

"If we send up a budget and it gets knocked down, it will hurt Reagan politically," said an administration official. "A replay of last year will really damage the president's political standing."

Administration officials did not disclose the details of tax increases to be proposed to Mr. Reagan on Monday. But the increases were described as coming into effect only after economic recovery gets under way.

One reason that deficits are projected to expand in later years is because of the scheduled 1985 indexing of tax rates to inflation. Although this was not part of the original Reagan economic program, the president has defended it as vital, along with the last installment of his three-year, 25 percent tax cut.

## New U.S. Aid For Farmers Is Expected

By Ward Sinclair

Washington Post Service

WASHINGTON — President Ronald Reagan will announce this week that he will go ahead with a plan to give surplus grain to farmers who agree not to plant part of their crops this year, according to agriculture sources.

They said Mr. Reagan will tell delegates to the American Farm Bureau Federation convention Tuesday in Dallas that the payment-in-kind program, aimed at stimulating the depressed farm economy, will be set up without the authorizing legislation the administration sought — but could not get — from Congress last month.

The president's appearance before the Farm Bureau comes at a time when many farmers, desperate over low prices and bleak prospects, are becoming increasingly militant in their demands for help from Washington.

There were two violent incidents last week in farming areas over the economic situation. Farmers were tear-gassed Tuesday at a foreclosure sale in Springfield, Colorado.

In London, Ohio, a farm protest leader facing foreclosure scuffled Friday with an official of a credit association.

Meanwhile, Agriculture Secretary John R. Block announced Friday that he would hold a news conference in Dallas following Mr. Reagan's speech. He is expected to outline the new program.

Mr. Block last month proposed payments in kind to farmers, a sharp departure from the administration's free-market philosophy. The proposal was an effort to deal with the huge surpluses that have depressed prices and sent the costs of federal support programs soaring.

Net farm income last year reached its lowest point since 1933. Under the plan, a farmer could retire from production as much as half his acreage this year. Participants would receive cotton, rice and other surplus grains, which they could sell or use to feed livestock. The plan would supplement an existing acreage-reduction program for which cash payments are made.

The House gave Mr. Block the legal clearances he sought last month, but his proposal stalled in the Senate.

Since then, Mr. Block has had Agriculture Department attorneys studying ways the program could go ahead without the authority he had sought from Congress to waive a limit of \$50,000 on payments to individual farmers, and to allow the department to dispose of surpluses at less than cost.

Mr. Block and congressional farm leaders have insisted that payment in kind must be ready by mid-month to accommodate farmers who are now planning their 1983 crops.

Administration sources said Mr. Reagan's speech Tuesday will contain no surprises, but there was speculation the president might touch on other issues of major interest to the 6,000 Farm Bureau delegates.

Farm Bureau and Mr. Block, for example, have lobbied the White House intensely for approval of legislation to protect farmers from the effects of any future presidential trade embargoes.

Congress passed such legislation last month, with strong support from Republican farm state senators. But the administration has opposed provisions that guarantee the sanctity of contracts, and Mr. Reagan has not indicated whether he will sign or veto the bill. He has until the end of this week to decide.

## Nicaragua Says Ex-Envoy to U.S. Took \$668,000 in Embassy Funds

By Karen DeYoung

Washington Post Service

WASHINGTON — Nicaragua has alleged that Francisco Fiallos, who resigned last month as ambassador to the United States to protest what he said was the tyranny of radicals in his government, withdrew without authorization \$668,000 deposited in a bank here after the sale in April of the country's long-unused ambassadorial residence.

Foreign Minister Miguel D'Escoto Brockman said Friday in Managua that he believed the former diplomat had taken the money. Records at the Riggs Bank here confirm that Mr. Fiallos, 36, withdrew the money in three cash installments between September and last month.

Mr. Fiallos, reached by telephone in Costa Rica, called the charges "a slanderous lie" designed to discredit him. He said in withdrawing the money he was acting under coded instructions from the Nicaraguan Foreign Ministry to turn the cash over to a secret emissary from Managua, and he said he had done so.

Mr. D'Escoto and embassy officials in Washington said they suspected the money was gone soon after Mr. Fiallos announced his resignation Dec. 20, and the bank confirmed as much shortly afterward.

On Thursday night, Mr. Fiallos telephoned Mr. D'Escoto by telephone from San Jose, Costa Rica, and, according to Mr. D'Escoto, was confronted with details of the withdrawals from bank documents. Mr. D'Escoto said that Mr. Fiallos responded only that if he had the money he would give it to the anti-Sandinist movement of Eden Pastora.

Mr. Pastora, who resigned in July 1981 as Nicaragua's vice defense minister to join the guerrilla struggle, said from Costa Rica that both he and Mr. Fiallos had spoken to Mr. D'Escoto Thursday by telephone. Mr. Fiallos surfaced publicly Friday at a San Jose press conference where, with Mr. Pastora at his side, he pledged to support Mr. Pastora's Revolutionary Democratic Alliance.

Mr. Pastora, who in recent months has complained that his movement's finances were extremely low, said from his Costa Rica headquarters that he knew nothing about the money Mr. Fiallos is alleged to have taken.

Mr. Pastora and Mr. Fiallos said the Sandinists had tried in the past to discredit a number of officials who have defected from the government, including Mr. Pastora, Alfredo Cesar, the former head of the nation's central bank; and Mr. Fiallos's predecessor, Arturo Cruz, who also resigned the ambassadorship.

Others, however, said Mr. Fiallos's statements appeared hard to believe. Mr. Cruz, who lives in Washington and is a Pastora partisan, said it "does not make sense." He said that if the Sandinist version proved true it would "be terrible for Eden" Pastora and could "destroy the only viable option" for a Nicaraguan government along the more pluralistic lines Mr. Pastora has proposed.

The indirect subject of the current controversy is the 2.1-acre (0.84-hectare) former Nicaraguan ambassadorial residence. When Mr. Fiallos, a Harvard-trained attorney, arrived in Washington a few months after Mr. Cruz resigned in December 1981, he put the house on the market. It was sold April 6 for about \$860,000, to a Washington development company. A total of \$820,530 was placed under Mr. Fiallos's signature in a savings account and Eurodollar call deposit at 13-percent interest.

According to bank records and copies of cashier's checks obtained by The Washington Post, a series of withdrawals were made between April and September, leaving a balance on Sept. 7 of \$687,944.09. Other embassy officials said those withdrawals were to cover operating expenses and requests from the Foreign Ministry.

Bank records show that Mr. Fiallos withdrew \$300,000 on Sept. 13 and \$350,000 on Sept. 16. Five weeks later, Mr. Fiallos was instructed to withdraw and send to his government \$80,000 for a new diplomatic residence in Costa Rica. Mr. D'Escoto said. By that time

the account balance was only \$48,403.65. On Oct. 21, Mr. Fiallos deposited \$50,000 cash, records show, which allowed the account to cover a cashier's check for \$80,000. The next, and final, transaction took place on Dec. 7, when the bank paid cash to Mr. Fiallos, equaling the balance of \$18,253.04, and closed the account.

Allegations concerning the money had not yet surfaced when Mr. Fiallos held his San Jose news conference. When he announced his resignation Dec. 20, Mr. Fiallos said the immediate cause was the banning by the Sandinists of an interview he had granted La Prensa, the opposition newspaper in Nicaragua, in which he had issued a call for political pluralism and free elections.

**Extradition to Be Sought**

Mr. D'Escoto announced Saturday in Managua that Nicaragua would seek to extradite Mr. Fiallos from Costa Rica on grounds that he misappropriated government funds. The Associated Press reported. He described Mr. Fiallos as "a dishonest man, a thief, a traitor."

It was not immediately clear how Costa Rican authorities would react to an extradition request from Nicaragua.

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## Many Groups Leaving U.S. Social Security

By Robert Lindsey

New York Times Service

LOS ANGELES — Local governments and nonprofit organizations are increasingly dropping out of the Social Security system, aggravating its financial problems.

Blaming soaring payroll taxes, doubts about the long-term solvency of the system and a serious local financial squeeze, Los Angeles County, with 55,000 employees, dropped out Dec. 31. It is the largest local government to have done so.

Social Security will lose more than \$130 million a year in this instance alone.

Under U.S. law, local governmental agencies and nonprofit employers may withdraw from the system at two years' notice.

More than 100 smaller U.S. counties, cities, school systems, hospitals and other nonprofit organizations withdrew from the program Dec. 31. This brought the total reduction of employees covered by the system to more than 100,000 last year, with a loss in revenue estimated by the Social Security Administration at more than \$250 million annually.

Because they have worked long enough under Social Security coverage to qualify for benefits, many of these employees will continue to be eligible for monthly Social Security pension checks when they retire.

Pension experts say the growing number of defections is adding a serious dimension to the already difficult problems facing the federally sponsored retirement system. According to the National Com-

mission on Social Security Reform, the system faces an accumulated deficit of as much as \$200 billion over the next seven years.

A House Social Security subcommittee study estimated last spring that the system lost all the public agencies and nonprofit groups that had indicated they intended to leave revenue would decline by more than \$500 million a year.

More than 400 governmental entities that employ more than 160,000 people have served notice that they intend to get out of the system over the next 24 months.

Robert J. Myers, executive director of the National Commission on Social Security Reform, said that, if there were more withdrawals of employee groups the size of Los Angeles County's, the system could have a very serious problem. He said the system receives \$18 billion a year from state and local governments.

He noted that the commission, which was appointed by President Ronald Reagan to study the system's problems, had voted to recommend that hospitals and other nonprofit organizations be required to remain in the system.

About 116 million people are enrolled in the Social Security program, which last year distributed about \$156 billion in cash benefits. Participation is mandatory for virtually all wage earners and self-employed Americans; federal employees are exempt. About nine million people in the program are employed by governments and organizations that have the option to get out of the system.

Social Security Administration officials say the exodus began in the mid-1970s, after Congress voted in 1972 to link increases in Social Security benefits and payroll taxes to inflation. In 1975, workers paid, on the average, \$500 annually in Social Security payroll taxes and the employers paid a similar amount. In 1983 they will pay about \$1,100 each, and by 1985 the figure is expected to be almost \$1,300.

The largest number of withdrawals has been in California, where Proposition 13, passed in 1978, cut property taxes by almost 60 percent, severely restricting the ability of local communities to raise money.

In the past year, more than 40 agencies from the City of San Diego to tiny municipalities have elected to withdraw from Social Security.

Union leaders tried to have the California Supreme Court block the Los Angeles County action, asserting that it would undermine workers' retirement security and end the advantage of transferring Social Security from job to job.

## Getting Home, Scientists Say, Is Only Following Your Nose

The Associated Press

LONDON — Man has a compass in his nose but has forgotten how to use it, say three British scientists.

The keen direction-finding ability of desert tribes and primitive people is due to their use of natural magnetism found most strongly in the bones of the sinus, report Robin Baker, Janice Mather and John Kenough of Manchester University.

The Sunday Times reported the trio pulverized the bone from different parts of seven skulls, put the powder in a powerful magnetic field and then checked to see if any magnetism was retained when the magnet was removed.

Four skulls showed that the sinus bones were strongly magnetized and one that contained no iron in the sinus came from an anemic. Because blood contains iron, the scientists accordingly theorized that the nose's magnet gets its iron from the blood.

Other animals, notably pigeons and dolphins, have been shown in experiments elsewhere to use magnets in their heads for homing and traveling.

## FBI Was Reportedly Told Of Plan to Kill Donovan

By George Lardner Jr.

Washington Post Service

WASHINGTON — Federal authorities were told last summer that some New York gang leaders planned to kill Labor Secretary Raymond J. Donovan because of fears that he might say something harmful to their interests, according to well-placed government and investigative sources.

A Reagan administration official said that it was never determined how serious the threat was, but that investigators were worried enough to notify the White House, which in turn told Mr. Donovan.

The claim came from an informant "with a good track record," one source said. It was taken seriously until the special prosecutor, Leon Silverman, closed his investigation of Mr. Donovan about two weeks later, which government officials concluded ended the danger.

Mr. Silverman announced Sept. 13 that he had investigated new allegations against Mr. Donovan and had again concluded that there was "insufficient credible evidence" to warrant prosecuting Mr. Donovan. Throughout the inquiry, Mr. Donovan denied any ties to organized crime.

When the informant provided no additional information, several sources said, the FBI and the Justice Department decided there was no longer any danger.

The report of a "contract" on Mr. Donovan followed the gangland killing Aug. 25 of one of Mr. Silverman's witnesses, Nathan Masselli. He was shot to death in the Bronx less than 48 hours before his father, William Masselli, reputedly a member of the Genovese "family" of the Mafia, was scheduled to be called before a federal grand jury working under Mr. Silverman's supervision.

Mr. Donovan was interviewed by Mr. Silverman in an unusual Sunday session Aug. 29. About a day later, sources said, the infor-

er told authorities that organized crime figures were disturbed that the season had taken place, and that some gangsters in Queens were planning to kill Mr. Donovan.

A federal agency conveyed the warning to the FBI and the Justice Department, touching off an intense investigation, sources said.

When asked about the reports that Mr. Donovan was warned of the possible danger, a Labor Department spokesman, Vernon Louviere, said Friday, "I'm told he has no knowledge of it." One high-ranking official said, however, that the White House lawyer, Fred F. Fielding, was told of the informant's story and notified Mr. Donovan.

It was learned elsewhere that rumors of a mob contract had more recently focused on William Masselli, who built a multimillion-dollar excavation and trucking business in the late 1970s as a subcontractor for Mr. Donovan's construction company.

Convicted last year in two cases unrelated to Mr. Donovan, Mr. Masselli was serving a seven-year sentence at the federal prison in Ray Brook, New York, last summer when his son was killed. Authorities said Friday that he was moved to another, undisclosed prison about Nov. 1, for his security. There are reports that he has since been moved again.

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## S. African Police Raid Home of Mandela's Wife

Washington Post Service

JOHANNESBURG — Security police with an armed escort have raided the home of Winnie Mandela, wife of the imprisoned black underground leader, Nelson Mandela, and charged her with breaking her banning order, which prohibits her from being in the company of more than one person at a time.

At the time of the raid Friday, two white opposition members of Parliament, Helen Suzman and Peter Soal, were visiting Mrs. Mandela at her home in the remote country town of Brandfort to which she was banished six years ago.

According to a family friend, M.K. Mafane, who also was present during the raid, the police took documents, a poster and a bedspread and questioned Mrs. Mandela. 48, about the items. According to Mrs. Suzman, the bedspread was in the black, green and yellow colors of the outlawed African National Congress, which her husband leads.

The police, confirming the raid, said Friday night that the action was part of an investigation and that its results would be submitted to the attorney general of Orange Free State province for a decision on whether to charge Mrs. Mandela under the security laws.



# Heart Patient's Mobility, Although a Hopeful Sign, Tends to Mask Problems

By Lawrence K. Altman  
New York Times Service

SALT LAKE CITY, Utah — Dr. Barney B. Clark's steps from bed to wheelchair are short and shuffling, but mobility is now clearly an important part of his life, more than five weeks after he became the world's first recipient of a permanent artificial heart.

This is a hopeful development, however, that tends to mask some of the more disturbing aspects of his slow, often perplexing recovery. The setbacks that have hobbled his comeback underline the tenuous nature of his reliance on a device that has beat about five million times and broken once.

On Saturday, for the third time in a week, Dr. Clark was wheeled out of the surgical intensive care unit of the University of Utah Medical Center to give him a new view of the surrounding snow-capped mountains and thereby help him adjust to a more normal environment.

Such trips are the only times when people

other than the medical team and his family have seen Dr. Clark since he acquired the plastic Jarvik-7 heart Dec. 2. Moreover, except for watching television, they are his only contact with life outside the intensive care unit.

After a trip Thursday to the hospital sun room, Linda Giannelli, one of the nurses caring for Dr. Clark, said, "Today was the best day I have seen him have."

These are the scenes that his doctors and hospital officials have described in recent bulletins and interviews. They have served to paint a somewhat rosy picture of Dr. Clark's recovery from the implant surgery and the several major complications that have followed.

But as time wore on, hospital officials have expressed concern over the slow state of Dr. Clark's recovery, as well as the perception among many people that his condition is better than it actually is.

John Dwan, a spokesman for the medical center, said he believed it reflected the holiday season and that "everyone is so anxious for Dr.

Clark to do well that they pick up on the positive notes and play down the fact that he is a very sick man."

Indeed, for the entire time Dr. Clark has been a patient, the state of his health has been described as either critical or serious, never satisfactory or good. It has been "serious but stable" since Dec. 27.

It will be weeks, perhaps months, before Dr. Clark goes home, according to his doctors. And it may take an even longer time before the doctors can determine if he suffered permanent brain damage as a result of the seizures that he suffered on Dec. 7 or some other problem related to his chronic illness. So far, they say they have found no evidence of permanent brain damage.

It is largely because Dr. Clark suffers from periods of mental confusion at unpredictable times that his doctors and his family have declined to allow reporters to interview him.

Dr. Chase N. Peterson, the university's vice president for health sciences, who has seen Dr.

Clark daily, said that if his progress were measured on a scale of 10, and he was rated zero at the time of the implant, he was at 5 two weeks ago, moved up to a 7, and was set back to 5 by an infection and kidney insufficiency. Dr. Clark is now at 6, he said.

Dr. Clark's mental status, too, has its ups and downs, as he occasionally loses touch with the present and lapses into the past, according to anecdotes provided by hospital officials and his family at news conferences.

Although Dr. Clark retired from his dental practice about five years ago, on Christmas Day he sat in a chair and talked as if he were practicing dentistry and running his office, Mr. Dwan said.

Dr. Clark's wife, Una Loy, and his daughter, Karen Shaffer, spoke about the problem at a news conference on Christmas. It was a time when Dr. Clark's mental status was improving, and Mrs. Clark said, "He recognizes the fact that he is confused."

Dr. Clark's doctors have repeatedly said that his confusion could be a result of the sensory deprivation and confusion that many patients suffer in stays in intensive care units.

No psychological testing was done immediately before Dr. Clark received the artificial heart because he was too sick, and none has been done since then, Dr. Peterson said.

If the confusion is due to the so-called intensive care unit psychosis, as the doctors hope, Dr. Clark's mental status may return to normal before or even after he goes home.

It is to remove him from the intensive care environment that he is taken on the wheelchair tours, with the machinery that powers his heart, encased in what resembles a filing cabinet on wheels and weighing 375 pounds (169 kilos), trailing behind.

Dr. Clark's care so far has cost about \$80,000, which is in the range of other critical and complicated illnesses that require similar

care for the same period of time, according to hospital officials.

The researchers have \$50,000 in private funds to care for the first few recipients, and several individuals and private organizations are understood to have pledged further donations.

Nevertheless, hospital officials are seeking several other sources to pay for parts of Dr. Clark's medical bill.

One is the federal Medicare program. Although Dr. Clark, at 61, is younger than the entry age of 65 for such insurance, Medicare under a disability clause, paid for much of his bills before he received the artificial heart, a hospital official said. A spokesman for Medicare said that if Dr. Clark paid self-employment tax when he was working as a dentist and had received disability payments for 24 months, then he would be eligible for Medicare.

Last week hospital officials reduced the daily charges for Dr. Clark because his doctors said he no longer needed as intensive care as he had been receiving.

## Vogel Warns of Major Divisions In West Germany Over Missiles

By John M. Goshko  
Washington Post Service

WASHINGTON — The West German opposition leader, Hans-Jochen Vogel, after meeting with President Ronald Reagan, said that it would be very hard for any chancellor to approve the planned deployment of medium-range nuclear missiles in West Germany in the absence of progress in the arms control talks without creating major divisions within the West German public.

Mr. Vogel said he had sought to impress these problems on Mr. Reagan during their talks Friday. He added that he regarded the U.S. bargaining position at the arms control negotiations in Geneva — Mr. Reagan's "zero option" plan calling for elimination of all medium-range missiles in the European theater — as "an initial position" that almost certainly will have to be modified if an accord is to be reached.

He also said that, while Mr. Reagan had not told him so specifically, he had received the impression in his talks in the United States that Washington had "made no final decisions" about the talks and that "bargaining flexibility is

possible in the American position."

At a luncheon with staff members of The Washington Post, Mr. Vogel said he had stressed to Mr. Reagan the growing fear in West Germany and Western Europe of a nuclear holocaust and had emphasized the need for U.S.-Soviet arms-reduction talks in Geneva to strive for reduction of the medium-range missiles based in Europe.

Mr. Vogel stressed that the situation in West Germany could become extremely tense this spring when preparations begin for deployment of the missiles.

Mr. Vogel's meeting with Mr. Reagan came on the same day that the West German president, Karl Carstens, called new elections for March 6. In his session at The Post, Mr. Vogel said that if the elections resulted in his becoming chancellor, his position on the scheduled missile deployment would be determined by his party's assessment of how serious Washington and Moscow had been in their efforts to reach an agreement.

"I don't exclude that we will have to agree to deployment if the Soviets don't move at all and if the Americans negotiate sincerely and flexibly," he said. But, he added,

"Our first option is an agreement that makes it unnecessary to deploy the missiles."

That was a reference to the two-track strategy adopted by the North Atlantic Treaty Organization in December 1979 when it agreed to place in Western Europe the new generation Pershing and Tomahawk missiles capable of reaching the Soviet Union. The strategy called for going ahead with plans to begin deployment this year, while seeking an agreement that would reduce substantially Moscow's arsenal of medium-range missiles in exchange for canceling the NATO deployment.

That approach was approved by the government of then Chancellor Helmut Schmidt, who preceded Mr. Vogel as Social Democratic leader. However, continuing opposition to deployment, much of it centered in the Social Democratic Party, has made the matter an increasingly emotional issue within West Germany.

Mr. Schmidt stepped down after the breakup of his governing coalition in September, and the present Christian Democratic government of Chancellor Helmut Kohl has continued to support the original two-track approach.

The Social Democrats, after picking Mr. Vogel to succeed Mr. Schmidt as their leader, last month took the position described by Mr. Vogel on Friday. Specifically, the party's executive board said that this fall it will reassess the status of the Geneva negotiations and, on the basis of how they read both U.S. and Soviet intentions, decide at that time whether to support deployment.

Mrs. Schcharansky said Saturday that the information came in a telephone call Friday from Moscow from her husband's brother, Leonid, after Leonid and Mr. Schcharansky's mother, Ida P. Milgrom, were denied an opportunity to visit him in prison.

Mrs. Schcharansky quoted her brother-in-law as saying that the prison director, identified only as Captain Romanov, said Mr. Schcharansky was being forced every third day. "We asked former prisoners, and they said usually someone in the fourth month of a hunger strike is fed twice a day. This means they are killing him."

Mrs. Schcharansky was detained in 1977, and sentenced in 1978 to 13 years in prison and labor camp on charges of spying for the United States. He began the hunger strike Sept. 26 to protest his isolation and a ban on his sending letters.

Mrs. Schcharansky said her husband's relatives had gone to Chisopol Prison, 500 miles (800 kilometers) east of Moscow, after receiving a letter from prison authorities saying Mr. Schcharansky was in good condition and they could visit him as of Jan. 4.

When they reached the prison Tuesday, Captain Romanov told Mrs. Milgrom and Leonid Schcharansky that he had canceled the visit because Mr. Schcharansky was continuing his hunger strike. Mrs. Schcharansky said. She said Mrs. Milgrom, 75, would try to persuade her son to stop the hunger strike.

■ **Charter 77 Spokesman Charged**  
A press spokesman for the Czechoslovak human rights group Charter 77 was charged Friday with "incitement against the republic." The Associated Press reported from London, quoting the dissident news agency Palach Press, Ladislav Lis, 57, was arrested Wednesday, Palach Press said.

## Greece Decides Stance On U.S. Bases' Future

By Marvyn Howe  
New York Times Service

ATHENS — The government has announced, without elaboration, that it has formulated its "final" position on the future of U.S. military bases in Greece.

The position, drawn up in preparation for the resumption of talks with American representatives later this month, was formulated Thursday night at a meeting of the government's Defense Council, presided over by Prime Minister Andreas Papandreu, with top military leaders also taking part.

Details were not disclosed, but a prominent Greek diplomat said later that "a critical point, a turning point in Greek-American relations," had been reached.

The talks, which are to resume around Jan. 20, have been in recess for a month for consultations, with both sides saying that they are still far apart. Nevertheless, official sources close to the two parties have said that both the Greek government and the Reagan administration have shown a willingness to reach an agreement.

The American side, which is led by a presidential envoy, Ambassador Reginald Bartholomew, has reportedly made no formal proposals so far. However, the Greek delegation headed by Yannis Kapsis, undersecretary for foreign affairs, is said to have made its "minimum requirements" known on most points.

Sources on both sides of the talks have denied recent press reports that Greece has asked the United States to pay \$1 billion in annual "rent" for the bases.

The talks, which began last October, involve the future of four major U.S. bases: the Suda Bay port installations and the Heraklion Air Station on the island of Crete, the Hellenikon Air Base outside Athens and a Sixth Fleet communications center at Naxos.

The use of the U.S. bases in Greece was regulated by a defense

cooperation agreement signed in 1953, and some efforts to renegotiate it had been made just before Mr. Papandreu's Panhellenic Socialist movement was voted into power in October 1981 on a platform that included a call for a shutdown of the bases.

As prime minister, however, Mr. Papandreu has made it clear that he would not take any hasty action on the bases. This stand appears to leave the way open for an agreement with the United States, if some concession can be obtained to satisfy the militant left wing of the Socialist party.

Mr. Papandreu has set a timetable for the negotiations, allowing two to four months for what is described as "the political phase." If general agreement is reached, then "technical phase" would follow; it should take up to nine months.

Greek diplomatic sources said that if no agreement was reached on the first phase, an alternative plan would have to be worked out.

Mr. Papandreu and his close aides refrain from discussing what alternative plan they have in mind, always expressing the hope that the negotiations will come to a satisfactory conclusion.

Greek diplomats say privately that they would not turn to the Soviet Union as an alternative to the United States, but suggest that there has been talk about adopting a Swedish-type neutrality.

On the American side, sources close to the talks say the basic problem is a "conceptual difference." That is, the Greeks hold that the bases serve only U.S. interests, while the Americans insist that they are critical for the defense of Greece as a member of the North Atlantic Treaty Organization.

The Greeks respond that the commanding general of the Greek armed forces sees the major threat as coming not from the northern border with Bulgaria but from the east, from a fellow NATO member and longtime rival, Turkey.

## Palme Says CIA Had Agent Follow Him for Years

United Press International

STOCKHOLM — An official spokesman has confirmed a remark attributed to Prime Minister Olof Palme of Sweden that he was under close surveillance by a CIA agent for several years.

"I had a CIA agent at my heels for several years," Mr. Palme was quoted as saying in an interview published Friday by a local Swedish newspaper. "But we could not break off relations with the United States only because of that."

Asked about the comment, a spokesman for the Social Democratic leader confirmed it was accurate, adding, "This took place in the 1960s."

In 1968, Mr. Palme, then education minister, participated in a demonstration against U.S. involvement in the Vietnam War. He marched beside Nguyen Thi Chyan, the North Vietnamese ambassador at the time. As a result the U.S. ambassador to Sweden was recalled to Washington for consultations.

The Swedish afternoon paper Expressen, quoting unnamed sources, claimed Saturday that the CIA agent was an unnamed fellow student from Kenyon College in Ohio, where Mr. Palme studied in the late 1940s. The agent moved to Sweden in the 1960s and resumed contact with his old friend, the newspaper said. Neither Mr. Palme nor his spokesman would comment on the report.

## Wife Fears Soviet Jew Is Dying in Jail

The Associated Press

TEL AVIV — The imprisoned Soviet Jewish activist Anatoli B. Shcharansky is being forced only every third day and is in danger of dying in the fourth month of his hunger strike, according to his wife, Avital, who lives in Jerusalem.

Mrs. Shcharansky said Saturday that the information came in a telephone call Friday from Moscow from her husband's brother, Leonid, after Leonid and Mr. Shcharansky's mother, Ida P. Milgrom, were denied an opportunity to visit him in prison.

Mrs. Shcharansky quoted her brother-in-law as saying that the prison director, identified only as Captain Romanov, said Mr. Shcharansky was being forced every third day. "We asked former prisoners, and they said usually someone in the fourth month of a hunger strike is fed twice a day. This means they are killing him."

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## Russia Was Surprised By Naming of Cardinal

By John F. Burns  
New York Times Service

MOSCOW — A spokesman for the Soviet organization that oversees church affairs says there was no prior contact with the Vatican about the elevation to cardinal of Archbishop Julians Vaivods of Latvia.

"It was a surprise to the U.S.S.R.," the spokesman for the Council for Religious Affairs said Saturday in a telephone discussion. "We have not been officially informed."

The council acts as a coordinating body for the activities of the officially registered churches, the Russian Catholic Church among them, and exercises a wide degree of control over their activities.

The official, who spoke on a background basis, said that Archbishop Vaivods, 87, had been to Rome before in his capacity as apostolic administrator of Latvia, and would be free to go again to receive his red hat at the consistory that will formally install him and 17 other prelates named Wednesday by Pope John Paul II to become cardinals.

There was no official comment on the pope's action by the Kremlin or the Soviet press. Western diplomats in Moscow said the move seemed certain to stir unease within the Soviet leadership, which is already angered over speculation in the West that has linked the Soviet security and foreign intelligence organizations at the altar, and in one case in Lithuania two years ago, a priest was tortured to death by intruders. But the archbishop's age and the worldwide attention focused on him are expected to afford him immunity from any personal harassment.

By unofficial estimates, there are fewer than two million Catholics among the 270 million Soviet citizens. Most of them are in the Baltic republics of Lithuania, Latvia and Estonia, and in the Ukraine. At an earlier stage of Soviet rule the Catholic Church was the largest Christian denomination after the Russian Orthodox Church, but repeated campaigns of repression have taken their toll and Protestant denominations now count more followers.

In 1966, Foreign Minister Andrei A. Gromyko had an audience with Pope Paul VI and the next year Nikolai V. Podgorny, then head of state, was also received.

Mr. Gromyko has been received on several occasions since then, including an audience in 1979 with John Paul. The pope, in turn, named a representative to the funeral eight weeks ago of Leonid I. Brezhnev.

There has been no formal diplomatic recognition, but a Vatican disarmament group met in the Kremlin a year ago with Mr. Brezhnev and the two sides have maintained steady contacts over other issues.

It is not known whether these diplomatic contacts have continued since allegations by authorities in Italy that the Bulgarian secret police, a close adjunct of the KGB, might have been involved in the attempt to kill John Paul.

The Soviet Union has dismissed the allegations as lies and charged that they were spurred by Western intelligence agencies in a bid to foment anti-Soviet feelings among the world's Catholics, particularly in Poland.

Direct action against Archbishop Vaivods is considered unlikely. In recent times Soviet Catholic priests have been beaten by unidentified assailants at the altar, and in one case in Lithuania two years ago, a priest was tortured to death by intruders. But the archbishop's age and the worldwide attention focused on him are expected to afford him immunity from any personal harassment.

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## Egyptians, Sudanese Are Working Toward Economic Integration

By David Lamb  
Los Angeles Times Service

CAIRO — Egypt and Sudan, already united by their reliance on the Nile River, are working toward integration of their economies and political affairs in a display of friendship unusual among Arab neighbors.

Both countries have high, and perhaps unrealistic, hopes for a union that could lead to a single currency, exchange of agricultural and technical experts, continued sharing of the Nile's waters and, some believe, eventual federation.

A serious drawback in the plans, however, is money. Huge sums will be needed, Western economists say, to accomplish economic and industrial development.

Sudan is almost broke. Egypt, overpopulated and composed primarily of desert, lives close to economic disaster and has been unable to attract substantial foreign investment.

"I think both countries are just hoping that things simply come together and work out one day," a Western diplomat said. "The key, of course, is Arab money. If they can get that, the union could be in business."

The formal basis for the Egyptian-Sudanese effort is the Charter of Integration, a document they signed last summer. That charter set up a Nile valley parliament, with each country contributing 20 representatives.

The parliament has no real power, but the plan envisages its assuming legislative authority in the future.

The Blue Nile and the White Nile join in Khartoum, the Sudanese capital, to form the Nile, which, as it makes its way through Egypt, provides this almost rainless country with the water it must have to survive.

President Hosni Mubarak of Egypt, meeting last week with Second Vice President Joseph Lagu of Sudan, said the parliament would hold its first meeting later this month. He spoke of Egypt and Sudan being "one country secured by the same artery," the Nile.

That artery will become even more important to Egypt in the years ahead because a French consortium is building in southern Sudan a 220-mile (352-kilometer) canal capable of diverting 30 per-

cent of the White Nile's waters, 52 billion gallons a day.

The Jonglei Canal, named for the province it crosses and crossing \$260 million, will carry water into Sudan's arid northern region and to Egypt. Work began on the canal, Africa's biggest current engineering project, in 1980 and is scheduled to be completed in 1985.

Although talks on federation between various Arab countries have been common, and never successful, during the last 15 years, Egypt and Sudan have more in common than most of the nations that have tried to unite, and some diplomats believe some sort of union might work.

Both countries were in the Soviet sphere of influence until the early 1970s, but both are now staunchly pro-Western. Both fear what they see as Libya's expansionism. Sudan, which supports Eritrean separatists in northern Ethiopia, has an additional security worry with Marxist Ethiopia on its doorstep.

From 1899 until it achieved independence in 1956, Sudan was governed by a colonial administration directed by Britain and Egypt. The proposals for federation go back at least to 1953, when President Mohammed Neguib of Egypt broached the idea during a trip to Khartoum.

The proposal led to riots, however, and Mr. Neguib returned to Cairo the day after he had landed in Khartoum.

There have been other periods of tense relations between Egypt and Sudan, but generally the countries have been among the closest neighbors in the Arab world. In 1976, they signed a 25-year defense pact; it is renewable every five years.

Sudan did not support the Camp David accords, but President Gaafar Nimeiri has been critical of the subsequent sanctions imposed against Egypt and has been at the front of the movement to end Egypt's isolation in the Arab world.

■ **U.S. Aid for Sudan**

The United States will provide Sudan with \$50 million in aid to be used for balance of payments support, the official Middle East News Agency reported Saturday from Cairo. In Washington, a spokesman for the Agency for International Development confirmed the report. The Associated Press also reported.

## Ichiro Nakagawa Dies; Was in Suzuki Cabinet

New York Times Service

TOKYO — Ichiro Nakagawa, 57, who unsuccessfully sought the leadership of Japan's ruling Liberal Democratic Party last year, died Sunday of a heart attack in Sapporo.

Prime Minister Yasuhiro Nakasone called Mr. Nakagawa's death "a real loss to Japan."

Mr. Nakagawa was director-general of the Science and Technology Agency in the cabinet of Prime Minister Zenko Suzuki. He held no government or party post at the time of his death, but for more than 10 years he was one of the most active younger politicians in the ruling party's right wing.

In his bid for the party presidency, Mr. Nakagawa finished a poor fourth after Mr. Nakasone, Toshio Komoto and Shintaro Abe, who now is foreign minister. The party post carries with it the prime minister's office, as the party controls parliament.

Mr. Nakagawa's failure in the elections appeared to undermine his self-confidence. He is understood to have borrowed heavily to finance his campaign.

■ **Nancy Hanks**  
WASHINGTON (WP) — Nancy Hanks, 55, head of the National Endowment for the Arts and the National Council on the Arts for eight years before resigning in 1977, died Friday in New York.

During her years as chairman of the Endowment, federal appropriations for her agency rose from \$11 million to \$114 million, with the number of grants increasing from 711 to more than 5,000.

Miss Hanks gained a reputation as a dynamic administrator as well as a forceful advocate for the arts on Capitol Hill.

■ **Edith Coates**  
LONDON (AP) — Edith Coates, 74, a dominant figure in

British opera for half a century, died Friday of pneumonia.

Miss Coates, a mezzo-soprano, played more than 60 operatic roles. She was a founding member of the new Covent Garden Opera Company, and in 1977 she was awarded the Order of the British Empire for her services to music.

■ **Tom McCall**

PORTLAND, Ore. (AP) — Tom McCall, 69, a staunch environmentalist who as governor of Oregon urged would-be residents to stay away, died here Saturday of cancer.

As governor, Mr. McCall pushed through the nation's first mandatory beverage container refund law and he opened a 1973 governor's meeting with an executive order that all businesses shut off their outdoor advertising lights during the energy shortage.

■ **Other deaths:**  
Yang Yong, 70, deputy chief of the general staff of the People's Liberation Army and a member of the Chinese Communist Party Central Committee, Thursday in Beijing.

Princess Fayka, 55, the sister of the late King Farouk of Egypt, Friday in Cairo.

Cecil L. Wright, 74, former president and chief administrative officer of J.C. Penney Co., Wednesday in New York.

Vincent M. White, 65, a former vice president of Westinghouse Electric International, a division of the Westinghouse Electric Corp., Wednesday in Sarasota, Fla.

G. Gilbert Wyland, 79, senior vice president and former chief engineer of Sparkman & Stephens Inc., the naval architectural company that designed all but one of the yachts that won the America's Cup between 1958 and 1980, Wednesday in Mystic, Conn.

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THE HOLY QUR'AN SURAT XLIX VERSE 13

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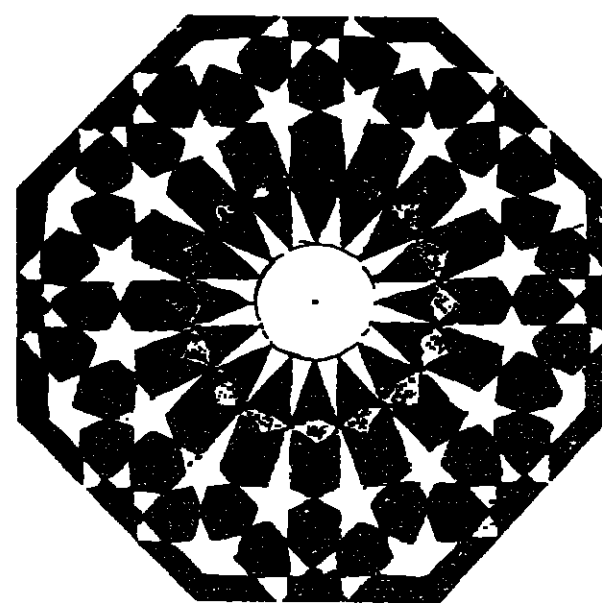
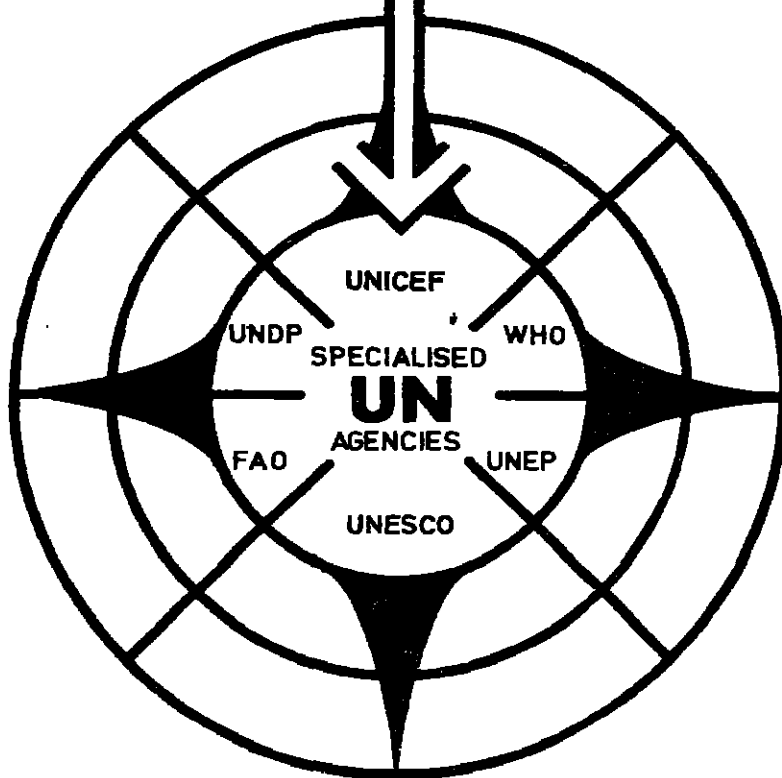
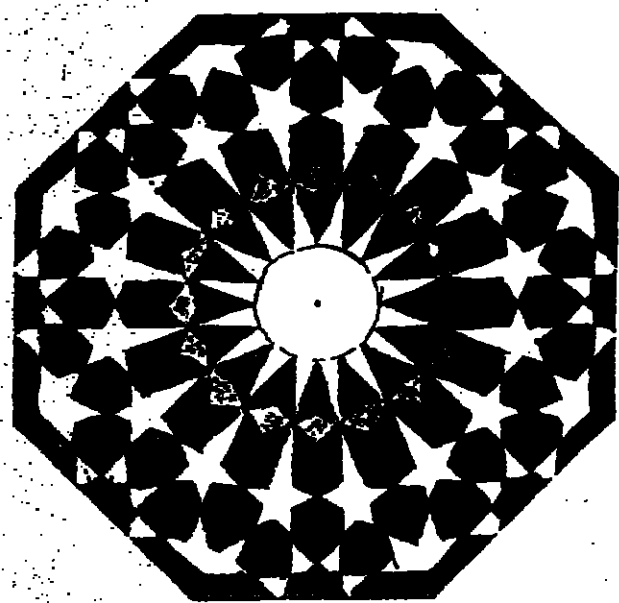
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# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

## The Failing Presidency

The stench of failure hangs over Ronald Reagan's White House. The people know it, judging by the opinion polls. Corporate titans know it and whisper disquieting words to a fellow conservative. Washington knows it when an administration official calls the budgeting process "an unmitigated outrage" and when Mr. Reagan's closest friend in the Senate depicts the president as "very close to set in concrete."

Mr. Reagan's loss of authority only halfway through his term should alarm all Americans. The economic nostrums he brought to office have not had the predicted effect. Only by recognizing his errors will he find better ideas. To rationalize the failure so far, or to blame his predecessors, the media and Congress, is to condemn the nation to two more years of destructive confusion.

By his own reckoning Mr. Reagan became president for one reason: to restore the morale and power of America. By his own analysis that meant above all "the rejuvenation of our economy" so that America could regain industrial strength, put all its people to work and defend its interests around the world.

But the economy falters, dragging down the West and eroding American influence everywhere. An ill-planned military buildup, which the recovery was to have made painless, now threatens to aggravate already huge deficits in future years. Instead of forcing the Russians to choose between guns and butter, Mr. Reagan is forcing that choice upon Americans. By putting missiles ahead of jobs and allowing the military to appear as the enemy of prosperity,

he is sapping more of America's strength than the Russians ever could.

This central failure should overshadow all partisan or philosophical contests. The Republican administration has been cavalier about the environment, insensitive to the poor. Too many Democrats have been demagogic about trade restrictions and Social Security. But all factions share an obligation to force the president to lead in devising a new and credible plan for recovery.

Between the lines of his recent utterances, Mr. Reagan seems to concede major misjudgments. The huge tax cut he sold as a "supply-side" stimulus to investment is now necessary to "increase consumption," he says. The deficits he vowed to erase are now said to be growing and even desirable in the recessionary short run. The Pentagon's "minimum essential" budget becomes daily more plausible.

What is lacking is any clear sense of direction. And when frustrated members of Congress advocate a mere "freeze" on spending, they only emulate Mr. Reagan's abdication and flight from hard choices.

How much deficit spending does the president think is needed to assure economic growth in the months ahead? How would he then reduce the "intolerable" future deficits to protect recovery? The customary politics can help him choose among a combination of cuts in Social Security and military spending and increased taxation. But only a president can lead in defining a strategy. Only a leader can succeed as president.

— THE NEW YORK TIMES.

## More Russian Roulette

Cosmos 1402, a Soviet radar satellite powered by 100 pounds of uranium, is apparently out of control and about to re-enter the atmosphere. For the second time in four years the world awaits the radioactive debris from a failed Soviet space spy. One failure is bad luck, two is bad management.

Russian nuclear satellites are supposed to be boosted into higher orbit at the end of their useful lives to allow the radioactivity more time to decay. When the booster rocket of Cosmos 954 failed, radioactive remnants fell in northwestern Canada in January 1979.

In one sense, the Russian fallback provisions were successful: The nuclear fuel and most of the reactor burned up during re-entry, and no one was harmed. But thousands of bits of radioactive material reached the ground, one the size of a five-gallon drum, and Canada spent \$14 million to find and dispose of the debris. The Russians coughed up only half the \$6 million they were billed.

International reaction was flabby. President Jimmy Carter offered to forgo putting nuclear reactors into orbit if the Soviet Union would do likewise. The offer was painless, since the United States has no nuclear satellites. The Russians did not pursue the invitation, and Mr. Carter was persuaded not to renew it: nuclear reactors may be needed to power the beam weapons and other gadgetry advocated by some military planners.

In fact, Mr. Carter's proposal has considerable merit. America does not require nuclear reactors to run its satellites because adequate power can be obtained from solar panels or radioactive isotopes. The isotopes are not part of a nuclear reactor; their heat is turned directly into electricity. After a rocket failure in 1964 contaminated the upper atmosphere with several thousand curies of plutonium, the isotope packages were encapsulated to allow safe recovery in the event of return to earth.

Military planners have renewed their interest in nuclear-powered satellites and a new type of space reactor is under study. But once again it seems to be a military luxury, not necessity. A ban on reactors in earth orbit would be to America's present gain but probably to both sides' future advantage.

As for the present danger, the Soviets insist that the risk of damage is minuscule. Indeed, even if the active part of the reactor is not burned up during re-entry, the chances of radioactive debris hitting a populated area are small. But even a minuscule hazard is unacceptable; those at risk, with the possible exception of Soviet citizens, receive no benefit.

The Soviet Union is playing Russian roulette with the world. That the odds are long is no excuse for exposing others to some danger. The rain may fall on the just and the unjust alike, but no one should have to expect being showered with radioactive space junk from a bungled military spy mission.

— THE NEW YORK TIMES.

## Other Opinion

### Two Views of Andropov ...

Grab the initiative, take the fight to the enemy, make 'em an offer they can't refuse, dance like a butterfly, sting like a bee. That seems to sum up the style the new Soviet leader, Yuri Andropov, had chosen for himself. For the 68-year-old, scarcely younger than Ronald Reagan, his first seven weeks in office have produced a performance that would put Nijinsky and Nureyev to shame.

We do know one of his key objectives: to stop, by hook or by crook, the planned deployment of NATO's new missiles if no significant arms control progress is evident by the end of the year. As he points out, shrewdly, the West need only procrastinate and then claim that deployment has been forced upon it. Deflecting that process will require some serious concessions, or a lot more acrobatics.

— The Sunday Times (London).

In 1953 Dwight Eisenhower seized the opening created by the death of Stalin to make his famous "deeds not words" speech. Within two years he had a summit meeting with Khrushchev and the treaty that ended Soviet occupation of Austria. In 1963 John Kennedy seized the opening left at the end of the Cuban missile crisis to make a famous speech on "the most important topic on earth, world peace."

Within the year he had the test ban treaty that led the way to all subsequent arms control.

In 1983 Ronald Reagan faces a similar opening after the death of Leonid Brezhnev and the accession of Yuri Andropov. This president, far more than his predecessors, needs to crack through the crust of his own

bureaucracy by a general speech asserting the priority of peace. Mr. Andropov plainly wants a deal. He came to the leadership through the backing of the Soviet military. They have extracted promises of more vigorous military efforts if arms control accords are not reached with America. But if the new leader has found more resources for defense, the strained Soviet economy will be that much the worse.

— Syndicated columnist Joseph Kraft.

### ... and Two of Reagan

Two years into the Reagan presidency, Americans are beginning to suspect the awful truth: They have a government incompetent to govern, a president frozen in ideological fantasyland, an administration spotted with fools. The unmistakable sign of incompetence is Washington's economic disaster. The U.S. government faces a deficit approaching \$200 billion in the next fiscal year. How is the president going to deal with it? His administration sends out contradictory signals twice a week.

— Anthony Lewis in The New York Times.

Does America have representative government? It is no longer an academic question, not after the contemptuous way the president and Congress have flouted the public's clearly expressed wishes. All during 1982, every poll showed that the American people rated unemployment as the nation's most pressing problem. And despite ardent and massive support for arms control and a nuclear freeze, the government continues to stall.

— Clayton Fritchey in Newsday.

## FROM OUR JAN. 10 PAGES, 75 AND 50 YEARS AGO

### 1908: Chinese Railway Victory

SHANGHAI — The central government has shared a victory in the struggle over the railway loan. The Che-Kiang Railway dispute dates from 1905, when Sheng, director-general of railways, seeing that work had not yet begun on the extension, gave notice to the British syndicate which had held it since 1898 that it would be canceled unless work started within six months. Their reply was held back by Sheng, who obtained an Imperial Edict by which the concession was transferred to a provincial company. But the Chinese government has recognized the error it committed, canceled the concession to the provincial company and restored it to the British syndicate.

### 1933: Backyard Farming Pays

PARIS — The editorial in the Herald reads: "The humble backyard farmer with his quarter acre of potatoes and his bordering berry bushes is about to be a national asset. These gentlemen, who have furnished so many smiles for the readers of comic strips, are about to be taken seriously. For agriculture, in the opinion of all the experts, is to be the dominating question of 1933. To work upon land while trying to be an artist, a musician or an office worker is an anomalous compromise. But it is consonant with reality. There is also a psychological benefit. The practitioner has something to keep his mind off personal and general misfortunes over which he has no control."

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## Come On You Guys Over There, Cut That Out

By Alan Neidle

The writer is a former official in the State Department and the Arms Control and Disarmament Agency.

WASHINGTON — Some awful peculiar things seem to be happening between China and the Soviet Union. They are so strange that "tough-minded" Americans wonder whether those people know how to behave in the real world.

China is embarking on sensitive negotiations with the Soviet Union about arms and security. But how can it do this? It is much weaker. Doesn't it know there is a fundamental law that countries may negotiate only from strength?

China's nuclear capability is still primitive — tiny compared to the Soviet Union's gigantic arsenal. So how come the Chinese aren't using all possible stratagems to delay negotiations, to provide time for the necessary nuclear buildup? Don't they realize they may be subject to nuclear blackmail? Why aren't they afraid of being "Finlandized"?

What strategy could the Chinese conceivably have in mind? Are they imitating General de Gaulle, who thought it was adequate to be able "to tear an arm off the aggressor"? Could the Chinese have succumbed to the dangerously seductive idea that you can have nuclear security relatively cheaply, through some kind of "minimum deterrence"?

The Chinese need a crash program to build up a large cadre of civilian

nuclear strategists. Their top government and military leaders obviously need instruction. Those strategists could do as much good for China as they have done for the United States.

The Chinese leaders apparently don't know how to put first things first. They seem to be basing their actions on a political strategy instead of permitting the numerical nuclear balance to control events. Can't the Chinese leaders see that the world's leading nuclear power, the United States, has found that nuclear dogies must dominate political strategies?

It may be that the Chinese are trying to apply common sense where it does not belong. Do they think that the Soviet Union is not such a big threat because it already has its hands full trying to manage — and not very successfully at that — its affairs? Are they deluding themselves that the Soviet leaders might have no stomach for trying to control a billion Chinese? Don't they understand that the appetite of the Soviet rulers is insatiable?

And what can explain the behavior of the Russians? They seem eager to negotiate with the Chinese, but isn't

this strange, also? Why should a country as strong as the Soviet Union deign to sit at the bargaining table with a country as weak as China?

Shouldn't the Russians be guided by the calculation that they could win a nuclear war? Surely, if there were nuclear exchanges, hundreds of millions more Chinese would be "taken out" than Russians. Doesn't this mean there is no need for negotiations — that the Chinese must simply accede to Soviet demands?

Perhaps the bosses in Moscow need to learn how to be genuinely hard-nosed from the Pentagon's Cap Weinberger. Only recently the American defense chief shared his philosophy with the American people, and with the world, when he commented that if the United States did not build the MX, there would be no reason for the Soviet Union to come to the negotiating table at Geneva.

But the Russians and the Chinese are proceeding with their negotiations. And the Chinese seem to have set forth specific objectives — about the Sino-Soviet border, Vietnam, Afghanistan and Mongolia.

Could it be that the Chinese know

what they want from the Russians? If so, isn't that peculiar? Why haven't they learned from the United States that a great power is normally expected to present another great power with a laundry list of all possible demands, or to confuse it with constantly shifting priorities? That is the way to ensure that negotiations, if they ever do begin, will be prolonged and unproductive.

And what can one say of some of the specific objectives of the Chinese? They apparently want the Russians to move armed forces and weapons back from the Chinese border. Don't the Chinese realize that the Russians, even if they should acquiesce, could quickly move their forces back? Are the Chinese tranquilizing themselves with the notion that temporary relief from pressure is worthwhile even though it may not be permanent?

There could be serious consequences for the Soviet Union and China as a result of their strange behavior. Could they fail to appreciate what grave doubts will be raised about their competence in the eyes of the American superpower?

Doesn't the United States have a right to expect that other great powers will not indulge in erratic and unpredictable behavior?

The Washington Post.

## Talks Might Stop the Space Weapons Race

By Senator Larry Pressler

The writer, a South Dakota Republican, is chairman of the subcommittee on arms control of the Senate Foreign Relations Committee.

WASHINGTON — In 1969, at the time that the United States entered the strategic arms limitation talks, the U.S. Air Force was about to flight-test a dramatically new weapons technology. This new concept, multiple independently targeted re-entry vehicles, was a breakthrough in that each ballistic missile would have the capability to attack several targets.

Concerned senators asked that MIRVs be placed on the SALT agenda and that flight tests be canceled in the interim. The Nixon administration rejected this advice, in the belief that MIRVs would provide the United States with a significant military advantage that the Soviets would be hard pressed to match.

But the Soviets deployed MIRVs much sooner than expected, and now they are a principal cause of American strategic vulnerability.

Today America is at a comparable juncture in the development of space weapons, and the quest for short-term advantage may lead to similar long-term results. Unless there is a serious negotiating effort, anti-satellite (ASAT) weapons could prove to be the MIRVs of the 1980s.

In the early 1970s the Soviets deployed an anti-satellite weapon that they have maintained and continued to test. Although this weapon has limited ability to attack large numbers of U.S. satellites, the absence of a U.S. equivalent does make for a strategic imbalance.

In the most recent test of this system in June, the ASAT was fired in coordination with launches of land-based and sea-based strategic weapons, a MIRVed SS-20 theater missile and anti-ballistic missile defenses. This demonstration led some analysts to conclude that the Kremlin views ASATs as an important element for the waging of nuclear war.

Should current Soviet research trends continue, the threat to U.S. space interests will not come from ASATs alone. Moscow is actively developing laser and particle-beam weapons that could be deployed in or directed at space. This program may not be completed for more than a decade, but the Soviet Union is said to be at least five years ahead of America in the development of these death rays. Taken as a whole, the Soviets now spend three to five times as much as America does on militarizing space.

The United States must take defensive measures against these developments. To begin with, it can reduce risks by stocking backup systems that could be launched if U.S. satellites are threatened. The space shuttle could help put replacement satellites rapidly into position.

I have far less confidence in military countermeasures in space. Hardening satellites or providing them with the capability to maneuver away from an attacker would add significantly to satellite costs and reduce the payload directed at the satellites' primary mission — and it may not work. Countermeasures invite counter-countermeasures, and escape techniques are futile against beams traveling at the speed of light.

The most desirable remedy to the space weapons threat is a ban on space weaponry. Arms control talks aimed at this end have not received the attention they deserve. The apparent successes on the ground of the not yet flight-tested American ASAT are perhaps the chief cause of the neglect of arms control.

When the U.S. version of the ASAT was inaugurated, the primary motive was to draw Moscow into talks aimed at dismantling the Soviet ASAT in exchange for cancellation of the U.S.

program. After three rounds in 1978 and 1979, the talks were broken off after the Soviet invasion of Afghanistan, and the United States has made no effort to revive them. Strategic planners are reluctant to bargain away the U.S. ASAT now that it appears that it will be significantly better than the Soviets' deployed weapon.

As in the case of MIRV development, the United States has sought short-run advantage. In the long run, the benefits will be meager. Given the current dynamics of the Soviet space-weapons development program, the failure to stop ASATs and other space weapons will surely produce new Soviet deployments. In this race, the United States has far more to lose because it will continue to depend on space systems more than the Soviets will.

Oceans separate America from areas that are in its national interest to defend, whereas the Soviet Union is in the heart of Eurasia — meaning that, while land lines provide the Soviets with rapid communications to their military forces, the command and control of U.S. military units is best achieved via satellites.

Pursuing a space weapons race makes little sense. America faces major deficiencies in its existing force structure. Adding another dimension to the competition would require spreading our resources even thinner. Besides, avoiding war requires some degree of stability in military developments, and introducing a space weapons race would undermine the delicate balance of terror as well as the predictability that defense officials require for effective force planning.

The United States has every reason to give space arms control a try. With our ability to quickly test and deploy the U.S. ASAT as a backdrop, the Soviets may now negotiate seriously. Should negotiations fail, we would retain our current space weapons option.

Los Angeles Times.

## Danton and Wajda on Revolution

By Flora Lewis

PARIS — Andrzej Wajda, the Polish director, has taken a new look at revolution in his film "Danton." It focuses on a short period of the French Revolution when Robespierre, carried away by the momentum of the terror that he has launched, sends his former comrade Danton and friends to the guillotine.

Mr. Wajda denies that he intended a metaphor, a parallel between Danton and Lech Walesa, or that his purpose was to show that repression in the name of a cause reproduces itself and devours the cause it claims.

Yet he has produced one of the most powerful attacks on the thesis of violent revolution I have seen. It is a tangibly Polish film, based on a Polish play, although it speaks only of France and was made in France.

The conflict between Robespierre and Danton, Mr. Wajda says, "is precisely the moment we are living through now. The Western world, that's Danton. The East, that's Robespierre, and his arguments are difficult to refute. Danton's arguments are very close to us."

The original play by Stanislaw Przybyszewski takes Robespierre's side, inspired by a communist view of history popular among intellectuals which urges the revolution on despite the terrible price in lives and suffering, on the ground that stopping short of ultimate victory would fail to win power for the masses in whose name the revolution began.

That is the thesis of Ayatollah

Khomeni and his mullahs, although in the name of religion rather than communism. It was Mao's, with his idea of permanent revolution.

In Mr. Wajda's hands, the hero is Danton, who wanted to stop when the revolutionary toll became too horrible, with ordinary people worse off than before. He wanted peace, a surcease from the fever of violence, a chance for people to breathe normally even at the cost of compromise and not achieving all goals at once.

As he goes to the guillotine, Danton predicts that Robespierre will follow him and that the revolution will be overthrown. It was.

The strength of this film is that in the moral struggle between Danton and Robespierre there are no easy answers to the burning tension between thought and action, the purity of theory and the ambiguity of life, the intoxication of power and upheaval and the human need for calm.

It addresses directly the contemporary issues of ideology and what kind of aspirations, what kind of people, what kind of heart and mind can change the world for the better. It accepts that there are points on both sides; it suggests that compassion, some tolerance, some warm human doubt and not frigid, bloody certainty are the best answers.

The dilemma, dramatically and tragically compressed in the French Revolution, is enduring. It is Poland.

Nicaragua, El Salvador, Iran, much of the Third World. It is the confrontation of the power hunger released by heady notions and the fatigue, the exhaustion, the cruelty that come when leaders play at being gods.

It is the central challenge to the pretense of the Soviet, Cuban, Chinese revolutions that they have the right to rule as they will because their leaders were once able to seize power by offering hope in a time of despair.

There is nothing overt to suggest a comparison with Poland. The only reference to Russia comes from an editor whose paper Robespierre has ordered closed and who argues, "If they had a free press in Moscow, Russia would be a republic."

Sill, Polish audiences have been trained by centuries of censorship to see subtle analogies, to sniff out defiance of tyranny from the seemingly most distant, densest subjects.

It will be interesting to watch Warsaw's reaction, and revealing of the military regime's own sense of where it is and what it can do.

Because he is Wajda, the director obviously had modern Poland on his mind even as he recounted French history. But perhaps also because he is Polish he could present the most current of problems without the cant of fanaticism or ideology. The result is a refreshing reminder that every body else that the attempt to solve problems by creating bigger ones, by intimidation or force, is no solution at all. It is terror, not progress.

The New York Times.

## High Time He Learned His Arms Control Act

By James Reston

WASHINGTON — The governments of the United States and the Soviet Union have at least one thing in common: They are so suspicious of one another that whatever one side proposes, the other tends to reject. And this negative reaction applies even to the suggestion that the leaders of the two countries should get together and talk over their differences.

For example, President Reagan, in one of his amiable moods, suggested last year that it might be a good idea if President Brezhnev of the Soviet Union came to the United Nations in New York, and maybe they could have a private talk on the side without agendas or expectations.

Mr. Brezhnev was seriously ill at that time, and the word came back from Moscow that such meetings should be "carefully prepared." Now

his successor, Yuri Andropov, has indicated that he would like to talk to Mr. Reagan, who is holding back and insisting that any such meeting should be "carefully prepared."

Maybe the idea of informal talks at the summit is not wise, but the negative reaction on both sides is clear. When Washington wants to talk informally, Moscow objects, and when Moscow wants to talk, Washington objects. But with each passing month the arms race goes on.

It is interesting and may be significant that Soviet officials in Washington and at the United Nations are pressing for a Reagan-Andropov meeting. They are implying that unless the two leaders meet soon, the nuclear arms control negotiations in Geneva will get nowhere and Moscow will then "give up on Reagan" and wait for a change of policy and executive control in Washington.

Meanwhile, odd things are happening in Washington among the people who define the Reagan policy on nuclear arms control and the people who negotiate that policy with the Soviets in Geneva.

For example, Mr. Reagan appointed Eugene Rostow, former dean of the Yale Law School, and Paul Nitze, a former official at the State Department and the Pentagon, to direct his arms control policy. They were the leaders of the Committee on the Present Danger, and regarded at the time of their appointments as intellectual hawks and highly skeptical of Soviet arms control policy. Over the last year, however, both have been charged with appointing officials and taking positions opposed to the views of extreme conservatives in Congress and the White House.

Mr. Rostow has been unable to get the assistants he wants approved by Sen. Jesse Helms, and has threatened to resign unless he gets the support of the White House.

Mr. Nitze's problem is more serious. He believes he was authorized by the president to discuss with the Soviet officials at Geneva how to break the stalemate on arms control — not to commit the U.S. government to any possible compromise, but at least to discuss what might be done. But he was rebuffed privately and then publicly, by "leaks" within the administration, for allegedly going beyond his authority.

He will return to Geneva to carry on his negotiations with the Soviets, with the support of the president but uncertain whether he will be undercut by other officials of the Reagan administration who are really opposed to any nuclear arms control compromise with the Soviets.

It is no wonder, then, that Mr. Reagan hesitates to have a private talk with Mr. Andropov about the control of nuclear weapons. He hasn't got his own policy and his own people together on what to say.

He hasn't sided with Mr. Rostow on the issue of his assistants. He hasn't faced up to Jesse Helms. He has supported Mr. Nitze vaguely but done nothing about his own people who are cutting the negotiator up.

Of course this is all helpful to the Soviets, who observe that the administration is divided on the policies it is trying to negotiate at Geneva.

Accordingly, they are saying that maybe Mr. Reagan and Mr. Andropov should get together and see if they can't untangle this mess. If they even talk about where such a summit should take place. In Scandinavia? In Geneva? Maybe even somewhere at sea, where they might be able to talk privately without newspaper reporters and television cameras.

This NATO allies wonder about this but think it might not be a bad idea. They seem to believe that unless a serious effort is made by Washington and Moscow to resolve their differences over nuclear arms, they will be unable to persuade their own people to support Mr. Reagan's policy of putting cruise and Pershing missiles on their territory to maintain a balance of power with the Soviets.

Maybe, as many in Washington believe, an informal Reagan-Andropov meeting is a bum idea. But there is general agreement in Washington that Mr. Reagan should at least get his own policy and people together, and so far this has not been done.

The New York Times.

## LETTERS TO THE EDITOR

### Regulating the Banks

Regarding the editorial "Bailing Out the Banks" (HT, Dec. 28):

This editorial on the IMF and the banking crisis reprimands Rep. Ferdinand St. Germain and others for saying that the proposed IMF funding increase is essentially a bail-out of the big international banks. Such charges, says the editorial, "are both inaccurate and irrelevant." Unfortunately, this is not the case.

The charge is accurate because the U.S. taxpayer is indeed being asked to guarantee some repayment, via the IMF, of what the editorial itself calls "some spectacularly unwise loans to the Latins." The charge is also relevant if only because many politically influential people believe that it is chiefly the folly of the big banks that has got us into the present mess.

Obviously the IMF quota increase is necessary, and urgently so. The point of responsible skepticism is that there must be strings attached not only to the debtor countries but to the banks. International banking, especially the off-shore markets, must be regulated as is domestic banking.

JOHN L. HARPER  
The Johns Hopkins Center,  
Bologna, Italy.

### The Hitherto Message

All of us seem surprised that we have millions unemployed and are in trouble (as countries, companies, individuals) because we cannot service

our debts. Yet for decades we have repeatedly heard that we must produce more with fewer people, and must borrow to expand and to spend.

CARLO BIANCHI.

Milan.

### Taxing Emigrants

Regarding "United States to Warn Romania Over Planned Emigrant Tax" (HT, Dec. 29):

As a Romanian I strongly welcome the U.S. plans to warn Bucharest over the outrageous emigration taxes imposed by the Nov. 1 decree.

The decree is one step in a move that has worldwide political implications. According to the Communist Party daily Scinteia of Dec. 11, it is related to an action that Romania initiated at the United Nations to "stop emigration



## EUROBONDS

By CARL GEWIRTZ

### Buyers' Uncertainty Brings Unusual Variety to Market

PARIS — There is a little something for every taste on the Eurobond market this week — a sign that investment bankers are not quite sure what investors want to do with their money this year.

The dollar, despite its continuing weakness on the foreign exchange market, remains the premier currency, although the Deutsche mark — with 2.9 billion DM of new issues scheduled over the coming six weeks — is clearly coming back into favor.

The European currency unit, a cocktail of EC currencies, shows signs of becoming a constant, albeit small, part of the weekly calendar. The currency composition is completed with a single issue denominated in sterling — presumably appealing to investors seeking high coupons and willing to speculate that the currency has been undervalued.

The dollar calendar itself is unusually varied. Investors have the choice of five, seven, eight, 10- or 15-year maturities, straight or convertible fixed-rate paper or floating-rate notes. But indicative of the unsure mood of investors, half of the dollar issues are being offered on the installment plan, with 15, 20 or 25 percent of the purchase price to be paid now and the rest six or seven months later.

Looking back to last year, which with its record interest rates and strong dollar may not prove to be much of a guide to what happens this year, investors in dollar bonds did very well indeed. According to a study by Salomon Brothers, total returns (income, price change and, where applicable, currency return) for U.S. and Canadian dollar bonds far outstripped those of any other currency.

Overall, bonds — for the first time since Salomon began keeping score in 1978 — outperformed short-term investments in the eight currency sectors covered in the study. "Yankee" bonds — issues of foreign entities floated in the U.S. market — turned in the best performance, for a total return of 40 percent, followed by Canadian government domestic issues with 35.8 percent, U.S. government domestic issues with 31.3 percent and Eurodollar bonds with 30.5 percent.

For Swiss investors, the return on the U.S. dollar investments would jump another 10 percentage points to account for the dollar's gain against the franc last year. For West German investors, 5.5 points would be added for the dollar's gain over the mark. British and French investors would add 15.3 points to account for their currency gains in the dollar, while the Japanese would add 6.4 points.

#### Yen Bonds Stand Out

Perhaps more indicative of what may be in store this year was the Salomon analysis of total returns for the two final months of last year, when the dollar began its sharp decline. The best-performing market then was in yen-denominated bonds — a total return of 23 percent, which includes an 18 percent appreciation against the dollar.

Currently, investors are given the chance to play the yen market through a \$40-million convertible bond being offered by Kyowa Hakko. The Japanese pharmaceutical company is offering 15-year bonds that will be convertible into common stock at an expected price of 5 percent over the prevailing Tokyo quote when final terms are set Jan. 13. At the same time, the exchange rate for converting the dollar bond into yen will also be set for the life of the bond. The coupon is expected to be set at 6 1/2 to 6 3/4 percent.

Noteworthy among the other dollar offerings is Sweden's \$1-billion floater, the largest single issue ever floated on the Eurobond market. The 19 managers and 120 sub-managers of this issue were reported to have placed about two-thirds of it by Friday. The notes were trading at a discount of 1.05 points from the par subscription price — inside the 1 1/2 percent commission Sweden is paying. This means underwriters are showing a profit on the deal.

Also worth noting are the two issues for U.S. borrowers. It had been widely supposed that U.S. borrowers would shun the market because rates would be more expensive than at home, reflecting the dollar's lack of appeal to foreign investors.

But Time-Life's \$100-million, seven-year issue bearing a coupon of 10 1/4 percent is costing it about a quarter-point less than it would have had to pay in New York, while Continental Group's \$75-million, 10-year bond bearing a coupon of 11 1/4 percent represents a saving of about 3/4 percentage point.

The low 15-percent initial payment needed to buy Continental paper was considered an attraction, but Time, despite its 25-percent down payment, had no problem because of the wide recognition of the name and its double-A credit rating. Continental's domestic paper is rated single-A.

#### Market Turnover

For Week Ended Jan. 7 (Millions of U.S. Dollars)

	Total	Dollar	Non-dollar
Credit	4,480.9	3,567.9	913.0
Euroclear	5,107.2	4,491.6	615.6

Calculated by the Luxembourg Stock Exchange

Source: Salomon Brothers

Continental Group

Time-Life

Continental Group

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## Management: Art Is In, Science Out

By Sandra Salmons

New York Times Service

NEW YORK — In the 1960s, decentralization was the vogue in management. In the 1970s, "corporate strategy" became the buzzword. Now, "corporate culture" is the magic phrase that management consultants are breathing into the ears of U.S. executives.

Loosely defined, a company's culture is the amalgam of beliefs, mythology, values and rituals that, even more than its products, differentiates it from other companies.

That corporations, no less than churches or universities, have distinct cultures has been acknowledged in classrooms and board rooms for years. Increasingly, however, managers and management consultants are coming around to the view that management is an art, not a science, and that while a carefully shaped strategy may make or break a company, the corporate culture may make or break the strategy.

"Strategy isn't much good unless you can do something about it," said Robert H. Waterman Jr., a director of McKinsey & Co., a consulting firm. "It's nice to have ideas that knock the socks off the competition, but, looking back, managers, consultants, business schools realized that companies haven't been able to implement that many strategies."

Management thinkers now acknowledge that organizations have distinct identities and tones, often acquired from their chief executive — Citicorp's creative tension from Walter B. Wriston, for example, or Mary Kay Cosmetics' cheerful nurturing of employees, repeatedly assured by the founder, Mary Kay Ash, that "you can do it."

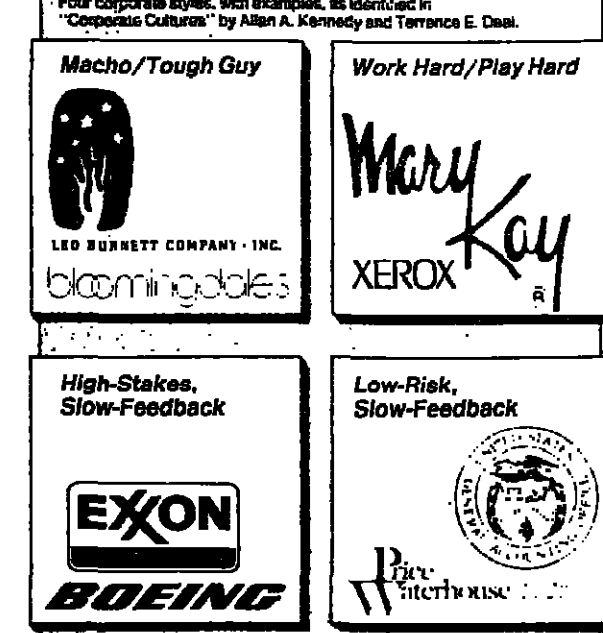
Another reason for the vogue in corporate culture may be the intense interest in Japanese companies, seen as models of strong, homogeneous cultures. "There is good news from America," Mr. Waterman and his co-author, Thomas J. Peters, proclaim in their book, "In Search of Excellence." (Mr. Peters is an independent consultant formerly with McKinsey.) Similarly, the authors of "Corporate Cultures," Allan A. Kennedy, a principal at McKinsey, and Terrence E. Deal, a professor at Harvard's Graduate School of Education, dismiss "scientific" management and declare that the solution to the U.S. industrial malaise "is as American as apple pie."

As these two recent books indicate, nowhere has the notion of corporate culture been more enthusiastically embraced than at McKinsey. In fact, a cynical interpretation of the latest management vogue is that it nicely positions McKinsey itself for the 1980s.

Although it remains the unchallenged leader in management consulting, McKinsey had been overtaken intellectually in the 1970s by

### A View of Corporate Cultures

Four corporate styles, with examples, as identified in "Corporate Cultures" by Allan A. Kennedy and Terrence E. Deal.



The New York Times

the quantitatively inclined Boston Consulting Group. BCG, as it is known, became the apostle of the matrix, the strategic business unit and the experience curve.

"BCG is the champion of the analytical approach," said John Roach, vice president, strategic management practice, at Booz Allen & Hamilton, a leading consultancy that melds the two approaches. "McKinsey has always been a touchy-feely firm."

But the shift in management thinking has also cropped up in seminars by other consulting firms, including BCG. In his current speeches on strategy, Alan J. Zakon, BCG's chief executive, describes not only developing a corporate strategy and reorganizing to carry it out, but also the cultural needs that must be met. "In no way are we denigrating the value of culture," he said.

The Administrative Science Quarterly will devote its winter 1983 issue to the subject. Last winter, the Harvard Business School introduced its first course devoted to corporate culture. "People have been getting very interested in the intangibles, whether they call it executive style, management philosophy or corporate culture," said Vijay (Continued on Page 9, Col. 2)

## Central Bankers Questioning Role As Crisis Lenders

By Carl Gewirtz

International Herald Tribune

PARIS — Western central bankers, who last year were eager to be seen lending major international debtors large sums to tide them over cash squeezes, are beginning to have second thoughts about the role they have assumed as worldwide lenders of last resort to sovereign borrowers.

The central bankers, who collaborate through the Bank for International Settlements in Basel, appear to agree that the BIS does have an important role to play in situations that threaten to explode into an international crisis.

Last year, for example, it moved with unusual speed and publicity to keep Hungary, a member of the BIS, afloat when a sudden drying up of short-term loans from Western commercial banks threatened to drive the country into default.

The normally publicity-shy BIS was also in the forefront in lending to non-members such as Mexico, when its declaration in mid-August of a temporary moratorium on loan repayments shook confidence in the world banking system, which had \$80 billion in loans outstanding to Mexico. The BIS was equally prominent in providing short-term liquidity to Brazil when, after the Mexican crisis, its cash resources evaporated.

The public role the BIS played was intended to provide the liquidity needed to avert a crisis until the International Monetary Fund could move into action. At the same time, the publicity served to allay fears of bankers that any major sovereign debtor might go bankrupt, while reassuring the public that banks holding such sovereign debt would stay afloat.

But requests for emergency BIS loans keep coming in. Argentina is seeking \$750 million and Yugoslavia about \$300 million.

Meanwhile, the threat of a major default has receded. Commercial bankers, who at one point appeared ready to abandon the international loan market, continue to lend, albeit under duress in many cases. Depositors and investors' confidence in banks, badly shaken last autumn, has been restored.

Even if the BIS approves a loan to Argentina, there remains the question of what collateral the country can provide without violating the loan agreements with commercial banks. These stipulate that if any new loan is secured, all outstanding loans will be equally secured.

Mexico got around this by backing its loan with future payments from oil shipments, which the major commercial lenders agreed not to violate their contracts.

(Continued on Page 9, Col. 6)

## Thomson, Philips Chiefs Discuss Joint Moves

By Axel Krause

International Herald Tribune

PARIS — The heads of France's state-owned Thomson-Brandt and N.V. Philips of the Netherlands have completed a first round of talks aimed at developing cooperative ventures, primarily in consumer electronics, a Philips spokesman said Sunday.

Alain Gomez, president of Thomson, and Wisse Dekker, president of Philips, also discussed Thomson's plan to acquire a 75.5 percent interest in Grundig, a West German consumer electronics company in which Philips has a 24.5 percent share. But the spokesman in Eindhoven, the Netherlands, where Philips is based, said no decisions were reached.

The spokesman said the two executives will meet again within six weeks to pursue the discussions, which began earlier at a technical level.

He said that it would be premature to discuss the form any cooperation in consumer electronics might take. The spokesman indicated, however, that the cooperation could cover development and manufacturing of color television and radio sets as well as video recorders.

The executives "wished and hoped that they could develop cooperation between the two companies," he said. Thomson and Philips compete with similar consumer electronics products in most key West European markets.

Philips executives and French government officials did not rule out the possibility of three-way discussions with Grundig regarding Thomson's bid for control of the West German company. The French are actively supporting Thomson's participation in such talks as a means of developing industrial cooperation ventures among European companies to meet intense U.S. and Japanese competition.

However, any future linking of Thomson-Philips cooperative ventures with Grundig will have to await approval from the West German government of Thomson's proposition. West German sources say the government's Cartel Office may prevent Thomson from taking over Grundig to avoid giving it and Philips a dominating position in the German consumer electronics market.

"Right now the Grundig affair is between Thomson and Grundig and we will have to wait, but it was discussed," the Philips spokesman said. He declined to provide further details.

On another matter, the Philips spokesman confirmed that the company has had preliminary discussions with the Soviet Union aimed at supplying technology and equipment for construction of a color TV plant in the Soviet Union.

If the talks lead to an agreement, it would be Philips' first major industrial venture in the Soviet Union.

Philips is also proceeding with plans to open an office in Moscow. That move has been under consideration for about six months, the spokesman said.

The spokesman emphasized that the talks regarding the television plant were in a "first, preliminary" phase, and that they will continue. There have been reports from Dutch industry sources that Soviet representatives also are talking with Japanese and West German companies about the plant.



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### INTERNATIONAL BANKING ACTIVITY

As Agent Bank

US\$6,500,000 CEYLON HOLIDAY RESORTS LIMITED  
HK\$35,000,000 FAR EAST CONSORTIUM LIMITED  
US\$5,750,000 P.T. WISMA BUMIPUTERA  
US\$25,000,000 DONGSAN CONSTRUCTION COMPANY LIMITED  
US\$125,000,000 NEW ZEALAND MEAT PRODUCERS BOARD  
HK\$200,000,000 HONG KONG LAND LIMITED  
US\$10,000,000 CHINA STEEL CORPORATION  
HK\$36,000,000 SUN KING FUNG DEVELOPMENT LIMITED

As Lead or Co-Lead Manager

US\$1,100,000,000 FEDERAL GOVERNMENT OF MALAYSIA  
US\$100,000,000 GOVERNMENT OF PAPUA NEW GUINEA  
US\$100,000,000 GOVERNMENT OF SRI LANKA  
US\$200,000,000 PTT - PETROLEUM AUTHORITY OF THAILAND  
HK\$800,000,000 SHUN TAK CENTRE  
US\$125,000,000 STATE ELECTRICITY COMMISSION OF VICTORIA  
US\$225,000,000 TAIWAN POWER CORPORATION  
US\$300,000,000 BANK INDONESIA

### CAPITAL MARKETS ACTIVITY

As Lead Manager or Manager

ASICS CORPORATION  
US\$12,500,000 7% Convertible Bonds due 1997  
BEST DENKI COMPANY LIMITED  
US\$15,000,000 5-7/8% Convertible Bonds due 1997  
TOKYU LAND CORPORATION  
10,000,000 shares of Common Stock at \$52.596 per share  
MINEBEA COMPANY LIMITED  
10,000,000 shares of Common Stock at \$53.890 per share  
TAIWAN POWER CORPORATION  
US\$100,000,000 Floating Rate Note Issue  
BANQUE INDOSUEZ  
US\$150,000,000 Floating Rate Note Issue

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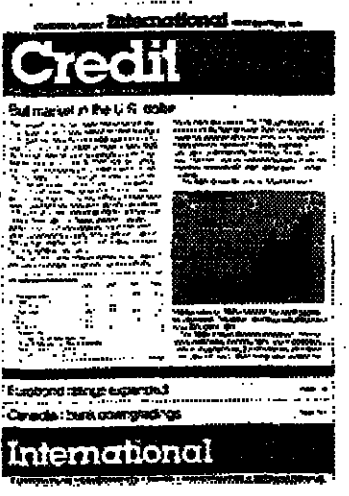
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## Markets

### Shrug Off Rise in M-1

By Kenneth N. Gilpin

New York Times Service

NEW YORK — The Federal Reserve's report that the basic money supply grew in the latest week surprised some analysts but did not upset the credit markets.

Short-term interest rates rose very slightly late Friday after the Fed reported that M-1 rose \$500 million in the week ended Dec. 29. The Fed said that M-1, which consists of currency plus most checking accounts, rose to \$478.4 billion.

### U.S. CREDIT MARKETS

surprising analysts who had been expecting a drop of as much as \$1 billion.

For the latest 13-week period, the Fed reported, M-1 averaged \$473.9 billion, a 16-percent increase from the previous 13 weeks.

"The money numbers were stronger than most people expected," said Richard Green, president of Money Market Services Inc., "but that disappointment was not reflected in prices. People are learning to pay less attention to M-1."

Although M-1 is rising far above original growth targets, the Fed since October has said that M-1 no longer has as much significance as a money supply measure, partly because of changes in savings and checking accounts offered by U.S. banks. The Fed has decided to pay more attention to broader money supply measures.

Analysts suggested that a decline in the federal funds rate, which traded at under 8 percent for much of the day, was another reason the markets were able to shrug off the money supply news Friday. The federal funds rate is the charge on overnight loans between banks.

"The market, and particularly the short end, is very comforted by a funds rate at those levels," said Philip Braverman, a vice president at Chase Manhattan Bank, "because that signals the potential for a discount rate cut, which the market expects could come soon." The discount rate, which is the Fed's charge for loans to banks and other financial institutions, has been reduced half a dozen times in recent months and is now at 8 1/2 percent.

By the close Friday, the three-month Treasury bill was bid at 7.84 percent, down 0.08 percentage point on the day. It had fallen even more before the Fed's late afternoon announcement, but then rose in late trading in reaction to the money supply figure, analysts said.

Among longer-term issues, the money supply announcement had almost no impact. Prices for the 9 1/2 percent, seven-year Treasury notes, rose less than one-quarter point, to 100 1/4, producing a yield of 9.23 percent. The government's bellwether 10 1/2 percent bonds due in 2012 were offered at 99 1/4, to yield 10.47 percent.

The Fed report also showed that the central bank is continuing to supply ample reserves to the banking system. Net free reserves averaged \$336 million for the week ending Wednesday, an insignificant decline of \$47 million from the previous week.

### U.S. Consumer Rates

For Week Ending Jan. 7

Postbook Savings	5.50%
"All Savers" Certificate	N.A.
6-Month Savings Certificate	8.50%
Top-Exempt Bonds	9.48%
Money Market Funds	8.50%
Home Mortgage	13.70%

## NEW EUROBOND ISSUES

Symbol	Borrower	Amount (millions)	Maturity	Coupon %	Price	Yield At Offer	Terms
●	Switzerland	\$ 75	1991	11%	100	11%	Noncallable, 25% payable on Feb. 10 and balance in Aug.
●	Switzerland	\$ 75	1992	11%	100	11%	First callable at 101 in 1990, 15% payable on subscription and balance in Aug.
●	Switzerland	\$ 100	1993	11%	100	11%	Noncallable, 25% payable on subscription and balance in July.
●	Switzerland	\$ 100	1994	11%	99%	11.64	Noncallable.
●	Switzerland	\$ 40	1995	open	open	—	Convertible after 1993 at an anticipated 55 premium, 10% to be set Jan. 12, indicates coupon 6%—6 1/2%.
●	Switzerland	\$ 100	1998	13%	100	11%	Holders' option to redeem at 102 1/2 in 1993. Staking fund to start in 1994 to produce 12.5-yr average life.
●	Switzerland	\$ 1,000	1993	4 %	100	—	Over 6-month LIBOR, Minimum coupon 5 1/2% Holders' option to redeem at par in 1988.
●	Switzerland	\$ 100	1995	10%	100	10%	First callable at 101 1/2 in 1988, 25% payable on subscription and balance in July.
●	Mortgage Bank of Denmark	Dkr 100	1993	8 1/2	99 1/2	8.58	Noncallable.
●	Oest. Kontrollbank	Dkr 100	1990	7%	100	7%	First callable at 101 in 1987.
●	Sweden	Dkr 100	1988	7%	100	7%	Noncallable. Private placement.
●	Switzerland	\$ 25	1990	12	open	—	Noncallable. Price to be set Jan. 14.
●	Switzerland	\$ 25	1991	12%	open	—	Noncallable. Price to be set Jan. 14.
●	Switzerland	\$ 25	1992	12%	open	—	First callable at 101 in 1990, Price to be set Jan. 14.
●	Switzerland	\$ 25	1993	12%	open	—	First callable at 102 in 1990. Purchase fund with underlying average life of 10.5 years. Price to be set Jan. 14.
●	Norsk Hydro	\$ 30	1990	12	99	12.22	First callable at 101 1/2 in 1987, 30% payable on subscription and balance in April.















SPORTS

# Chargers Down Steelers, 31-28; Jets Jolt Bengals



Irene Epple winning at Verbier, Switzerland.

## Resch, Irene Epple Win Ski Cup Races

Compiled by Our Staff From Dispatches  
VAL D'ISERE, France — Austrian Erwin Resch scored his second World Cup ski victory ever in a men's downhill race Sunday that had most of the favorites sking close to disaster on a spectacular S-bend in the course.

Meanwhile, in Verbier, Switzerland, Irene Epple of West Germany won the season's first women's World Cup supergiant slalom.

Epple posted a time of one minute, 16.76 seconds over the 1,350-meter (4,455-foot) course of 32 gates.

Hanni Wenzel of Liechtenstein clocked 1:16.94 for second, while Tamara McKinney of the United States took third with a 1:16.96.

Fourth place in the first women's supergiant event went to Cindy Nelson of the United States with a time of 1:17.31.

Resch, only fifth fastest at the intermediate point, mastered the icy Compression Bend, which took a heavy toll, and crossed the finish line in one minute, 59.26 seconds.

Three Swiss were next, with Peter Müller, slalom champion, second at 1:59.56.

But Müller was subsequently disqualified; second place went to Peter Lüscher, 1:59.44, with Conradin Cathomen third on a clocking of 1:59.56.

Müller's downhill was going too wide at the right-hand sweep exiting from the Compression Bend. He hit the gate, and although he stayed upright and finished, the

judges decided his left boot had not remained inside the gate. "I knew I hit something, but didn't realize what it was," said Müller. "The Compression was icy, and that's why it caused a lot of trouble."

His disqualification also cost him top place in the overall cup standings, with Austria's Hanni Wenzel, who finished sixth Sunday in 1:59.71, moving into first place on 84 points, four ahead of Müller.

Among those victimized by the bend was Franz Heinzer of Switzerland, who lost control as he took off at the left-side top of the bend and crashed heavily into a safety barrier.

Canadian Steve Podborski was another casualty. The defending cup downhill champion could not regain his line at the bottom of the Compression and went head-on into a gate. Nursing nose and leg injuries, he said he thought he would be able to have another crack at the course on Monday, when a second downhill will be held.

Tom Buirger of Switzerland and Austrian Helmut Hoeflechner went wide of the crucial gate, while Canadian Todd Brooker nearly negotiated it — but finally lost his balance a few meters beyond and crashed.

Ken Read, the only top-ranked Canadian to stay on his feet throughout, took fourth in 1:59.57, putting in a fast second half after a mistake on the upper reaches of the course. Michael Mørch of Italy was fifth in 1:59.64.

Resch, whose previous victory was at Val Gardena, Italy, 13 months ago, negotiated the 47-gate, 3,410-meter course (about 12,350 feet) with a drop of 915 meters at an average speed of 102.93 kilometers per hour (about 64 mph). Bright sun and crisp snow produced near-perfect conditions.

Epple, the cup giant slalom titlist and second overall last year to Switzerland's Erika Hess — Hess was sidelined Sunday with a knee injury — seemed slightly puzzled at her victory.

"I don't know why it went well this time, in comparison to the last races," she said, referring to her relatively poor showing in previous cup events this season. "This super-G is definitely different from a normal giant slalom, because it's quicker."

Wenzel, a slalom and giant slalom specialist plagued by injuries last year, said after the race that "the giant slalom remains the most difficult and exciting, as far as I'm concerned."

Other participants, comparing the run with traditional World Cup Alpine disciplines, said the steep course, with a drop of 405 meters (1,330 feet) most resembled a giant slalom.

McKinney, skiing with a bandage on her right ankle, twisted in recent competition, said she was satisfied with her third.

"I didn't know where I stood for this one," she said, pointing to her injury.

Compiled by Our Staff From Dispatches  
PITTSBURGH — Dan Fouts' third touchdown pass of the game and second to Kellen Winslow, a 12-yarder with one minute to play, catapulted San Diego to a 31-28 National Football League playoff victory Sunday over the Pittsburgh Steelers.

In Cincinnati, league-leader Freeman McNeil rushed for record post-season yardage, scored a touchdown and threw a TD pass as the New York Jets routed the Bengals, 44-17.

In Saturday's games, four teams that were fortunate to have made it to the playoffs — Detroit, St. Louis, New England and Cleveland — were summarily dismissed in blowouts.

Fouts drove the Chargers 64 yards in eight plays after San Diego took possession on its 36-yard line with 3:59 remaining. Chuck Muncie, who gained 126 yards on 25 carries, gained yardage and time before Fouts dropped back and threw a flare pass to Winslow on the left side. Winslow beat the Pittsburgh defense into the corner of the end zone.

Fouts, who completed 27 of 42 passes for 335 yards, also threw scoring strikes of 10 yards to tight end Eric Sievers, putting San Diego ahead, 17-14, just before halftime. Early in the fourth quarter, Fouts hit Winslow for 8 yards and a touchdown on a fourth-and-six situation that began the Chargers' comeback from a 28-17 deficit.

McNeil, the NFL's leading rusher, shredded the Bengal defense for 211 yards on 22 carries to set up a touchdown pass by Richard Todd and Pat Leahy's three field goals.

McNeil's first pass as a pro was a 14-yarder to Derrick Gaffney for the Jets' first touchdown; his yard TD run with 8:24 to play put the Jets comfortably ahead, 30-17; his rushing performance eclipsed the playoff record of 206 set by San Diego's Keith Lincoln in 1963.

Safety Darrol Ray stepped in front of a pass by Ken Anderson and returned it 98 yards for a 37-17 lead with 4:50 to play, bringing

Walt Summer's playoff record 88-yard return set for Cleveland in 1969. Dwayne Crutchfield added a 1-yard TD run with 1:56 left after the Jets' third interception.

Redskins 31, Lions 7  
In Washington, the Redskins' Joe Theismann threw three touchdown passes to Alvin Garrett, and cornerback Jeris White returned one of his two interceptions 77 yards for another score to highlight Saturday's 31-7 thrashing of Detroit (4-5 in the regular season). Garrett, playing in place of injured wide receiver Art Monk, matched his NFL career total with six receptions, and his 110 yards more than doubled his career yardage total.

"Let's face it," said the 5-foot-7

Garrett, who had been cut twice in the past three seasons by San Diego and the New York Giants, "if Art is healthy, I'll only play special teams and maybe a few plays as a receiver."

Garrett beat Lion cornerback Bruce McNorton for two touchdowns and got behind cornerback Bobby Watkins on the other. White gave Washington a 7-0 lead when he picked off Eric Hipple's pass deep in Redskin territory and raced untouched for a touchdown in the first quarter.

The Redskins recovered three fumbles and intercepted two passes. In Green Bay, Wisconsin, Lynn Dickey threw four touchdown

passes and the Packer defense stopped St. Louis cold in a 40-16 rout. Green Bay is in the playoffs for the first time since 1972; the Cardinals made their first post-season appearance since 1975 on the strength of a 5-4 regular-season performance.

Dickey, who threw 10 interceptions in his last four games, completed 17 of 23 passes for 260 yards and no interceptions. He connected with John Jefferson on scoring plays of 60 and 7 yards and added TD passes of 20 yards to James Lofton and 4 yards to halfback Lee Ivey. Ivey also scored on a 1-yard run.

St. Louis lost running back Otis Anderson with a sprained ankle



On his third TD reception, Alvin Garrett had the Lions' Bobby Watkins looking for help.

early in the second quarter. Anderson had rolled up 58 yards on eight carries to that point. The Cardinals took a 3-0 lead on the first series of the game, but Green Bay stormed back with four consecutive touchdowns and led, 28-9, at halftime.

Dolphins 28, Patriots 13  
In Miami, David Woodley threw for two touchdowns and picked New England's secondary apart as the Dolphins won, 28-13. Woodley, who struggled throughout the season, threw a pair of 2-yard TD passes to tight end Bruce Hardy to give Miami all the scoring it needed. Dolphin fullback Andra Franklin punched over from 2 yards and reserve running back Woody Bennett added another score by slanting in from short yardage in the fourth quarter.

Miami's first playoff victory since 1973 averted a 3-0 defeat to the Patriots in Foxboro, Massachusetts, last month. The defeat came when John Smith kicked the game-winning field goal from a spot on the snowy field cleared for him by a snowbrush tractor. The Patriots had had a 5-4 regular-season record.

Raiders 27, Browns 10  
In Los Angeles, Marcus Allen rushed for two touchdowns and Jim Plunkett passed for 386 yards to power the Raiders past Cleveland, 27-10. Allen, a rookie, crashed over from the 2-yard line in the second period and slashed in from the 3 in the third for his league-leading 16th touchdown.

The Raiders' other points came on a 1-yard TD burst by Frank Hawkins and two field goals by Chris Bahr.

Los Angeles, which finished with the best record in the American Football Conference at 8-1, broke open a close game on Allen's second TD with 4:30 remaining in the third period and on Hawkins' score with 12:01 remaining in the game.

Allen's touchdown, giving the Raiders a 20-10 lead, came after Lyle Alzado jarred the ball loose from Cleveland running back Charles White; it was recovered by



Packer quarterback Dickey.

Los Angeles linebacker Jeff Barnes at the Raider 11.

The Browns, who were 4-5 on the regular season, scored their points on a 52-yard field goal by Chris Bahr's brother, Matt, and on a 43-yard pass from Paul McDonald to Ricky Feacher, both in the first half. Matt Bahr's field goal, 2:26 into the second period, tied an NFL playoff record set in 1951 by Lou Groza — also of Cleveland and also in the Los Angeles Coliseum.

## Surprise: Hockey Without Brawling in the NHL

By Sam McManis  
Los Angeles Times Service

LOS ANGELES — The fight began the way most do in hockey, with a remark made in anger. This time, the Los Angeles Kings' Terry Ruskowski said something to Edmonton's Dave Semenko, who reacted by spearing Ruskowski with the butt end of his stick. In the tradition of the game, Ruskowski dropped his gloves and went after Semenko. So began the brawl.

Players from both teams swarmed around the combatants and soon there were several secondary fights. It took the referee, two linesmen and a couple of peacemaking players five minutes to restore order.

Three months into the 1982-83 season, the National Hockey League had just had its first bench-clearer — and, surprisingly, they may not be many more like it. Rodney Dangerfield's joke ("I went to a fight and a hockey game broke out") is in danger of becoming outdated. So, too, is the term bench-clearing brawl.

While one-on-one fights remain common — there have been several early-season stick-swinging incidents — mass melees have significantly declined.

Except for the recent Kings-Oilers set-to, there have been no true everybody-in fights this season. In fact, there was only one last season, and it was in an exhibition game.

It's getting so tame on the ice that penalty minutes are down by an average of eight minutes per game from last year. The 1982 penalty-minutes average is about 32; the all-time high was 41.5 in 1980-81.

There seem to be three reasons for the outbreak of clean play. Rule changes introduced in the last two years by the NHL have curbed violence and strongly penalized brawlers. The importation of talented European players, who have been taught it's better to skate than fight, has made it difficult for teams to carry a player who is strictly an intimidator. And the power play has become so potent that it is almost inevitable that some penalties will result in goals.

Many general managers, coaches and league officials agree that the rule changes are the biggest deterrent. Rule 54(c), adopted this year, has made secondary fights and bench-clearing brawls almost extinct.

It says that "when a fight occurs, all players not engaged in the alter-

cation shall move to an area designated by the referee upon his command. Failure to comply results in a club fine of \$1,000 for the first offense, \$3,000 for the second and \$5,000 for each subsequent offense."

Although it took time for players to become accustomed to the rule, adhering to it has now become almost automatic. Scotty Morrison, the NHL's vice president in charge of officiating, said most of the 21 teams have been fined at least once, but most of the offenses were at the start of the season.

"We told our referees to enforce that rule right from the start," Morrison said. "If even one player didn't directly proceed to his area, we'd give the fine. . . . That rule is working very well. The whole theory is to prevent the secondary fight."

Los Angeles Coach Don Perry was a member of a panel of NHL officials, club executives, general managers, coaches and representatives of the players' association that presented that rule change to the league's board of governors. He said he proposed moving players to separate areas when fights break out.

"I saw that in the Western Canada junior leagues, and I suggested it to the committee," Perry said. "Only when I saw it, they gave a two-minute penalty to the team if a player didn't leave the area. I think that would work better here than that fine business. You can bet players would stay away if they'd get a two-minute penalty for it. Still, I think the rule change helped."

It is easier for brawls to start when players mill around the scene of a fight. Another rule, aimed at avoiding needless confrontations, says that after the puck is frozen in the corner, attacking defensesmen

cannot pass an imaginary line across the top of the face-off circle. If they pass, the ensuing face-off will be in the neutral zone.

One of the most stringent new rules has been the automatic three-game suspension to the first players leaving the bench to join a fight. Besides the suspension, the player's team is assessed a four-minute penalty and a fine of at least \$1,000.

An example of how the first-player-off-the-bench penalty has worked occurred in a recent New York Islanders-Quebec game. After a fight developed between New York's Denis Potvin and Quebec's Dale Hunter, Andre Dupont jumped off the Quebec bench to help — earning the penalties — but Islanders Coach Al Arbour grabbed Bob Nystrom and prevented him from going over the boards and joining in.

Arbour's shoulder was dislocated, but he said it was worth it to prevent a brawl and the penalties that go with it.

"We used to have 10 bench-clearers or more a year," said NHL vice president Brian O'Neill. "Now, we make them think twice."

Other rule changes have had similar effects. If there is a clear instigator in a fight, he is given a game misconduct — ejection — and his team an extra two-minute penalty. After the fourth ejection, the player gets a two-game suspension.

"The outlook of the league has changed in recent years," said Minnesota North Star General Manager Lou Nanne. "These rule changes have been the most positive steps from both the league's standpoint and the players' association standpoint. The league's image is getting better."

Nowhere is that more evident than in Philadelphia, where the no-

torious Flyers have changed their brawling style.

For nine straight seasons the Flyers led the league in fighting and, until three years ago, were going deep into the playoffs with their physical play. But during the past three campaigns, fighting has not been enough; the Flyers were knocked out of the playoffs early each year. When Bob McCammon took over the team late last season, he decided to change things.

"There's a change in the way the game's being played," McCammon said. "They know that to compete, we must stay out of the penalty box and keep pace on the ice. Plus, I think the league has made it clear about the fighting."

"The thing that really hurts is the power play. It's very prominent in the game today. Say if you give a team like the Islanders six or seven power-play chances, that's almost like guaranteeing two goals a game. It's common sense not to give teams like that the chances. Last year I fined the players for stupid penalties. But this year they got the message."

These days, most teams don't need to be warned about being too physical. The influx of European players — 12 percent of the NHL's 440 players — has brought greater emphasis to skating and scoring.

Players from Sweden, for instance, rarely use foul play. It took the Kings' Ulf Isaksson 36 games to draw his first two penalty minutes. Isaksson, who played in Sweden for 10 years before coming to the United States this season, says he has never been in a fight and was surprised at the number of fights in the NHL.

"In Sweden you hardly ever see fights because there's harsh punishment," Isaksson said. "If you drop your gloves, it's an automatic suspension."

## SPORTS BRIEFS

### Short-Course Swim Marks Set

INDIANAPOLIS (AP) — Kristin Otto of East Germany broke her own world short-course record in the women's 100-meter backstroke at the U.S. International meet here Saturday night.

Otto's 59.97 clocking, the first sub-minute performance ever in the event, was half a second faster than her own world best time, set last month.

Otto, Birgit Meineke, Ute Geweniger and Ines Geissler gave the East German women a 400-meter relay victory in 4:02.85, breaking the short-course record of 4:06.43 set by the United States here last year.

Friday night, American Jeff Kostoff's 7:44.53 sliced nearly four seconds off the world best in the 800-meter freestyle.

None of the performances will be recognized as world records because the three-day meet, which was to end Sunday night, is being held in a 25-meter pool rather than in a standard 50-meter pool.

Jeff Kostoff

### Tokashiki Retains WBA Crown

KYOTO, Japan (AP) — World Boxing Association junior flyweight champion Katsuo Tokashiki successfully defended his title here Sunday night with a 15-round unanimous decision over South Korean challenger Kim Hwan Jin.

It was Tokashiki's fourth defense of the title he won from Kim on a decision in December 1981.

### Gunthardt, Taroczy Win Doubles

LONDON (AP) — Defending champions Heinz Gunthardt and Balazs Taroczy defeated Brian Gottfried and Raul Ramirez, 6-3, 7-5, 7-6, here Sunday to win the WCT world doubles tennis championship.

The Swiss-Hungarian combination, the first pair ever to win the title two years in succession, took two hours and nine minutes to down the American-Mexican team; former Wimbledon champions Gottfried and Ramirez had been bidding to win the WCT event for the third time.

### Hanika, Navratilova in Final

WASHINGTON (UPI) — Sylvia Hanika of West Germany defeated second-seeded Andrea Jaeger, 6-7, 6-3, 7-5, Saturday night to move into the finals of a women's grand prix tennis tournament here. Hanika will meet No. 1 seed Martina Navratilova, who breezed past Mary Lou Piatek, 6-1, 6-3. The title match will be played Monday night.

In her quarterfinal match Friday, Hanika upset No. 3 seed Hana Mandlikova of Czechoslovakia, 6-7, 7-5, 6-2, while Jaeger beat JoAnne Russell 6-7, 6-2. Piatek gained the semis by shocking fourth-seeded Barbara Potter, 6-3, 6-4, and Navratilova coasted past Czechoslovak Helena Sukova, 6-1, 6-2.

### Peete 1-Stroke Leader in U.S. Golf

TUCSON, Arizona (UPI) — Calvin Peete shot a 4-under-par 66 Saturday to take the lead after the third round of the Tucson Open golf tournament. Peete's 201 total was a stroke better than Scott Hoch's (a third-round 72) and Johnny Miller's (67). Joey Russell (72) and Lanny Wadkins (68) were tied at 203; at 204 were Fuzzy Zoeller (68), Gil Morgan (68) and Jay Haas (60).

Hoch, a fourth-year pro, had been the leader, at 130, after Friday's second round, when he tied the course record of 63. Russell was one stroke back at the halfway point, while at 135 were Peete, Miller, Wadkins, Haas and Keith Ferguson.

### Ayala Maneuvers to Avoid Prison

SAN ANTONIO, Texas (AP) — Undefeated Tony Ayala Jr., the world's top-ranked junior middleweight boxer, apparently has staved off attempts in Texas to revoke his probation and send him to prison because of his arrest on a New Jersey rape charge.

Ayala has hired State Representative Joe Hernandez to represent him and, under Texas law, his trial can be delayed. Anyone who hires a lawmaker as his attorney within 30 days of the start of a legislative session is entitled to an automatic continuance until 30 days after the legislative adjourns. The Texas Legislature convenes Tuesday and will stay in session at least until June.

Ayala, 19, has been jailed in lieu of \$50,000 bond since New Year's Day. He was charged with burglary, aggravated assault and sexual assault in connection with the attack of a woman in the apartment complex where he lives in West Paterson, New Jersey. Passaic County prosecutors in New Jersey said Ayala could not be tried there for at least six months because of a crowded court docket.

## NHL Standings

Wales Division	Points	Games	Wins	Losses	Ties
Philadelphia	25	12	10	2	0
N.Y. Islanders	21	14	7	7	0
Washington	19	12	11	1	0
N.Y. Rangers	17	14	4	10	0
Pittsburgh	12	14	3	11	0
New Jersey	8	14	2	12	0

Adams Division	Points	Games	Wins	Losses	Ties
Boston	25	10	7	3	0
Montreal	22	12	8	4	0
Quebec	18	14	6	8	0
Hartford	10	14	3	11	0

Campbell Division	Points	Games	Wins	Losses	Ties
Chicago	26	10	8	2	0
Minnesota	21	11	9	2	0
St. Louis	14	14	4	10	0
Detroit	9	14	3	11	0
Toronto	10	14	3	11	0

Smythe Division	Points	Games	Wins	Losses	Ties
Edmonton	22	12	8	4	0
Calgary	14	12	7	5	0
Winnipeg	17	14	4	10	0
Vancouver	14	14	3	11	0
Los Angeles	8	14	2	12	0

Wales Division	Points	Games	Wins	Losses	Ties
Philadelphia	25	12	10	2	0
N.Y. Islanders	21	14	7	7	0
Washington	19	12	11	1	0
N.Y. Rangers	17	14	4	10	0
Pittsburgh	12	14	3	11	0
New Jersey	8	14	2	12	0

Adams Division	Points	Games	Wins	Losses	Ties
Boston	25	10	7	3	0
Montreal	22	12	8	4	0
Quebec	18	14	6	8	0
Hartford	10	14	3	11	0

Campbell Division	Points	Games	Wins	Losses	Ties
Chicago	26	10	8	2	0
Minnesota	21	11	9	2	0
St. Louis	14	14	4	10	0
Detroit	9	14	3	11	0
Toronto	10	14	3	11	0

Smythe Division	Points	Games	Wins	Losses	Ties
Edmonton	22	12	8	4	0
Calgary	14	12	7	5	0
Winnipeg	17	14	4	10	0
Vancouver	14	14	3	11	0
Los Angeles	8	14	2	12	0



At 1:57 of Saturday's first period, New York's John Tonelli beat Quebec goalie John Garrett for the opening goal — and the 100th of Tonelli's career — of a 6-1 Islander rout.



LANGUAGE

The Tip of the Glacis

By William Safire

WASHINGTON — The award for the best new politico-diplomatic word of 1982 goes to Shabazz Khan, foreign minister of Pakistan, who used a word I had never heard before to describe the country that lies between the Soviet Union and the gateway to the Gulf: "Afghanistan might one day be intended by the Soviets to be a glacis."

Yaqub Khan, who converses easily in Russian and Urdu, was puzzled at the lack of understanding by the American press: *Glacis* is an old, established English word with a modern figurative meaning. From the sentence context, I offered *buffer* as a synonym, which the foreign minister accepted.

But *glacis*, pronounced GLAY-sis, is metaphorically much richer. Derived from the Old French *glacier*, "to slip, slide," a *glacis* began in English more than three centuries ago, meaning a fortification that sloped gradually to ground level, permitting an unobstructed field of fire. Later, *glacis* planes were sloping armor plates on ships. Finally, the figurative use took over: East Germany was seen by the Times of London in 1955 as "part of Russia's defensive glacis," and The Observer five years later agreed that the countries of Eastern Europe formed "the glacis between the Soviet Union and the West."

A *glacis* state, then, is one that forms a defensive barrier between one power and its potential enemies. The phrase, with its defensive connotation, is much better than the in-between *buffer* state (now buff, or blow, meaning from a padding to absorb shocks), which means "a state between two powers whose position lessens the chance of conflict." A *buffer* separates both; a *glacis* does that, too, but especially forms part of the defense of one.

AS THE debate on Social Security heats up, a shadowy cliché slouches toward Washington: *cap the entitlement*.

*Cap* began as a noun in the early 1970s, drawing on the image of "capping" an oil well. The earliest citation anybody I know can find is in the files of Merriam-Webster: "We have a somewhat ambiguous citation from The Wall Street Jour-

Brown-Bagging

David Lyon's, Er, Bag Is Finding Out What an Estimated 60 Million People Put in Their Sacks

By Samuel G. Freedman  
New York Times Service

WESTPORT, Connecticut — David Lyon, a marketing specialist nurtured on radish sandwiches, began two years ago to chart what he calls the brown-bag lunch universe. He soon made his first discovery.

"I found I knew more about brown-bagging than anyone I knew. So I decided to plant my flag on that turf. No one's challenged it, so I guess I'm the maven."

The medium of the maven is the Brown Bag Institute. The marketing research company, created out of one room of Lyon's home in Westport, plumbs the tastes of the 60 million American brown-baggers and sells the results to clients in the food industry. In the course of his investigations, in which he has used sampling methods to arrive at such figures, Lyon, 71, has become something of a sage on the personality as well as the palate of the brown-bagger.

"Lunchtime guerrillas," he called them, adding, "they're living off the land, making their own way off their own living skills. It's the same way I feel about keeping my old Volvo 177,000 miles going. 'They' won't get me to buy a new one."

Still, Lyon has come to dispute the stereotype of the brown bagger as someone who puts a ham-and-cheese sandwich, a banana and a container of coffee in his basalt-colored, torpedo-shaped lunch box, works in a foundry and dines while sitting on a plywood board laid across two oil drums.

"Actually," he maintained, "brown-baggers are rather upscale." Compared with the rest of the population, Lyon said, twice as many brown-baggers have family incomes of more than \$30,000. More have attended college. And of all the brown-baggers in the United States, only 25 percent work in factories.

Given their status, why, then, do brown-baggers pass up the delicatessens, the company cater-



Brown Bag Institute's Lyon is a peanut-butter man.

grandson has adopted the vegetarian regimen.

"I asked him why, and he told me, 'Meat makes me sad.'"

Lyon spent most of his working life as the unrepentant brown-bagger among the expense-account set of the advertising industry. When he stayed late for meetings, dinner was a peanut butter sandwich on the 7-11 to Westport. "They used to call me the Huck Finn of Madison Avenue," he said.

But his career — which included new-product development for several food companies and the advertising campaign that depicted Marlboro as a filtered cigarette that nonetheless was suitably macho — ended abruptly with two heart attacks in 1980. The months of recuperation gave him time to "think strategy." And the less he saw anyone advertising for or writing about brown-baggers, the more he sensed his future in their humble midst.

"You would look in a newspaper, and see a column for chess players. And a column for mouse hunters. The tide tables. You had information for all sorts of minute and obscure segments of the population. But nothing for brown-baggers. That was the most amazing thing. It was invisible, a dormant market. No one was paying attention to it."

Lyon soon convinced four major companies — Swift, Carna-

JAPAN POSTCARD

YKK: The Big Zipper

By Karl Schoenberger  
The Associated Press

KUROSU, Japan — Although 5,000 people are said to work there in three shifts, hardly a soul is in sight at the main factory complex of Yoshida Kogyo, or YKK, the world's largest maker of zippers. A ride on electric carts through the labyrinth of factory buildings reveals an overwhelming array of industrial robots and automated assemblers, all churning away unattended.

Zipper makers may not be as glamorous as automobiles, stereo equipment and computer hardware, but they have given YKK a first grip on success. What began in 1934 with a few employees using hand-powered machines in 37 countries and production lines that epitomized Japanese industrial prowess, YKK holds 25 percent of the world zipper market. It estimates it will have total 1982 sales of \$2.5 billion and production of 1.17 million miles (1.9 million kilometers) of zipper. That's long enough to go to the moon and back two and a half times, noted Tadao Yoshida, 74, YKK's president and founder.

From his headquarters in Kobe, on the Sea of Japan about 159 miles west of Tokyo, Yoshida has built an empire based on a golden-rule business philosophy that he calls "the cycle of goodness."

"We think of capital as a loan," he said, "and everybody in the company takes part in managing it."

The idea is not a revolutionary one in Japan, where most companies are heavily financed by banks and the debt-equity ratio often runs as high as 7 to 1. But YKK debt financing also involves circumventing the banks for a considerable chunk of its cash.

In a profit sharing plan, employees return at least 10 percent of their wages to the company, as well as half their annual bonuses. The timing is not compulsory, but as many as 90 percent of YKK's 14,500 Japanese workers in six plants and numerous offices throughout the country participate. They are paid interest by YKK that is competitive with banking accounts. They eventually receive YKK stock options.

Yoshikatsu Sasaki, a spokesman at YKK's Tokyo office, said that,

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